

EUROPEAN NEWS

W German orders fall 4.3% in September

WEST GERMAN manufacturing orders provisionally fell by 4.3 per cent in September after a downwardly revised 6.5 per cent rise in August, the Economics Ministry said, Reuter reports from Bonn.

The ministry last month said that August orders had risen by a provisional 7.4 per cent.

The orders index (base 1980 and expressed in volume terms) stood at a provisional 110 in September, after 115 in August, revised from 116, and 108 in July.

The Economics Ministry said domestic orders had fallen by 8 per cent in September from August, after an 11 per cent rise the previous month, while foreign orders were unchanged after a previous 5 per cent rise.

It described the August rise in orders as "extraordinarily strong and said it was influenced by special factors."

According to statistics from the Bundesbank, the West German central bank, the orders index stood at 108 in September last year, producing a year-on-year rise of 1.9 per cent.

Belgrade quit call

A Slovenian trade union organisation has demanded the resignation of the Yugoslav Government because its proposed anti-inflationary package is unacceptable, state newspapers reported yesterday, AP reports from Belgrade.

The Dutch have gone further in advocating price cuts in cereals than Brussels, Tim Dickson reports

Rational voice of the Netherlands makes itself heard

THE Dutch may only have a small voice in Europe but it deserves to be heard loudly in any discussion of farm policy reform.

After all, the Common Agricultural Policy was modelled partly on Dutch lines: no fewer than three European Community commissioners, for agriculture (including Mr Sicco Mansholt, the original architect of the CAP), and the present incumbent Mr Frans Andriessen) have hailed from Holland. As one experienced diplomat from another member state candidly put it this week: "The Netherlands is the country which probably comes closest to having a rational approach to the future of European agriculture."

A rational approach (it is safe to assume this means much lower guaranteed prices) is not likely to prevail in the crucial negotiations now taking place between EC farm ministers on the Commission's wide-ranging proposals to stabilise agricultural spending. But if the attitudes of France and West Germany in the north and the tactics of the Mediterranean bloc in the south will ultimately determine the extent of this round of CAP reform, the view of the Dutch may well carry more weight than their modest number of votes in EC Council meetings would suggest.

"They act as honest brokers in a number of areas and what they say often influences the outcome of a debate," the same senior diplomat explained. "Given the history of the CAP they see themselves as the unofficial guardians of the policy."

From Mrs Thatcher's point of

view it is also significant that a net recipient of EC budgetary funds like the Netherlands is also complaining vociferously about the spiralling costs of the CAP - estimated at more than Ecu27bn (£18.3bn) for this year, against a 1987 budget of just Ecu23bn. Indeed Mr Gerrit Braks, the Dutch Agriculture Minister, has gone further in advocating sharper cuts in cereals

The spiralling costs of the Common Agricultural Policy threaten to undermine the European Community's attempts to provide a sounder basis for its future financing, the central issue at the heads of government summit in Copenhagen on December 4-5. In the third of a series of articles from national capitals, we look at the political, economic and social factors influencing individual governments on the farm issue.

and other prices than Brussels itself has so far proposed.

His argument that lower prices are justified at a time of low inflation and falling feed costs is certainly sound, but he knows also that Dutch farmers are more capable of absorbing the additional pain than most of their counterparts.

Dutch agriculture since the Second World War has become a byword for super-efficiency. With only 2m hectares of farmland, 130,000 farms and an average unit size just half the French norm, the Netherlands has become the world's second biggest farm exporter after the US and in dairy, poultry and horticulture it is the biggest. Three-fifths of total agricultural production is sold beyond the Dutch border - trade worth Guilders 49bn (£4.6bn) a year at the last count.

The secret of this success lies in the Netherlands' intensive farming methods - buying feed-stuffs at cheap prices on world markets and the highly concentrated use of fertilisers - plus a skilful application of computer technology to animal husbandry and crop management. Proximity to ports like Rotterdam offers a key competitive advantage. Efficient production methods

If sound structures have been the key to survival for the Dutch dairy sector and for growers of the so-called free products such as potatoes, onions and flowers which are not covered by an EC market regime (but which make up 60 per cent of the Netherlands agricultural output), the same cannot be said of the cereals sector (centre stage in the political negotiations).

Cereals in the Netherlands account for less than 2 per cent of production and just 10 per cent of land utilisation but those who depend for their livelihood on the crop tend to be in the northern part of the country in areas such as Groningen, where the soil is not so suitable for alternative products.

Bigger than average price cuts for cereals could upset the delicate balance between wheat starch and potato starch, and could knock already depressed potato prices as hard-hit farmers start to grow larger quantities of these and other products (a trend which some already suspect to be the result of milk quotas).

In the absence of across-the-board price reductions, the Netherlands' main concern in the negotiations appears to be to avoid this knock-on effect on other sectors. This is why Mr Braks is paradoxically keen that spending limits should not be applied strictly to each product but should contain sufficient flexibility so that under-spending in one arable sector can be used to cover a higher-than-expected liability in another.

The indications at the end of a high level meeting of agricul-

ture experts in Brussels this week are that member states may eventually agree to a combination of modest price cuts or increases in the so-called co-responsibility levy, plus some form of production restraint in an effort to stabilise the EC cereals harvest at the Commission's target of 155m tonnes.

The principal Dutch concern is to avoid the introduction of national quotas in the cereals sector - a solution for which Mr Ignaz Kiechle, the West German Farm Minister, is strongly pushing but which Mr Braks argues will be administratively complex, will fail to deal with the basic structural problem, and will create the much-feared knock-on distortions in other regions.

The Dutch appear ready to swallow a land "set aside" scheme on condition that it is not compulsory, that the compensation for those taking part

weakens the position of the Czechoslovak leadership under Mr Gustav Husak which came to power in April 1968. Virtually anticipating Mr Smirnov's remarks, the main Czechoslovak Communist newspaper, Rude Prava, in an interview last Monday with a Soviet correspondent, asked for Moscow's evaluation of the doctrine of "limited sovereignty" of Communist countries which was attributed to the late Soviet leader, Mr Leonid Brezhnev. This doctrine was widely regarded as having provided the justification for Czechoslovakia's occupation and the ousting of its reformist Communist leader, Mr Alexan-

Soviet view of Prague Spring strikes chill

BY LESLIE COLTIN IN BERLIN

CZECHOSLOVAK officials have reacted with stony silence to remarks by a senior Soviet historian calling for a reassessment of the Soviet-led Warsaw Pact occupation of Czechoslovakia in August, 1968.

Mr Georgi Smirnov, head of the Marxist-Leninist Institute of the Soviet Communist Party, said on Wednesday that it was time to "think over the events of 1968."

While Czechoslovak party officials declined comment, diplomats in Prague said the party leadership could only be dismayed. They pointed out that any condemnation of the invasion by Moscow would only

weaken the position of the Czechoslovak leadership under Mr Gustav Husak which came to power in April 1968.

Virtually anticipating Mr Smirnov's remarks, the main Czechoslovak Communist newspaper, Rude Prava, in an interview last Monday with a Soviet correspondent, asked for Moscow's evaluation of the doctrine of "limited sovereignty" of Communist countries which was attributed to the late Soviet leader, Mr Leonid Brezhnev. This doctrine was widely regarded as having provided the justification for Czechoslovakia's occupation and the ousting of its reformist Communist leader, Mr Alexan-

der Dubcek. The Soviet journalist said the "so-called Brezhnev doctrine was a 'legend' invented and cultivated in the West."

Mr Gorbachev said then that relations between Communist countries were based on "equality" and the "independence" of each party. No one had the right to claim a "special position" in the Communist world, he said.

The Soviet leader reaffirmed his position in a speech last Monday for the 70th anniversary of the Soviet revolution. He



AGRICULTURE IN THE EC NETHERLANDS

is generous, and as long as the aim is not an across the board cut in land utilisation throughout the member states.

Mr Braks' preference for deeper price cuts is shared by most Dutch farmers (with the exception of cereals producers), though the minister has been criticised by the press and in parliament recently for being too soft on the Commission. Mr Marius Varkamp, president of the main farmers' organisation the Landbouwerschap, accepts that action must be taken to control CAP spending but does not like the idea of production targets which are built into many of the new mechanisms.

Whatever is resolved before the Copenhagen summit in early December is likely to arouse fewer passions over the long term than the environment, the main Dutch domestic preoccupation. With 15m tonnes of surplus, chemical-rich manure from the country's 5m cows and 14m pigs (more than the human population), farm pollution is a huge problem, particularly in the south.

Tough laws place limits on the expansion of individual pig producers in some areas as well as imposing other controls. Dutch ingenuity in dealing with the challenge is not to be underestimated but although a recent opinion poll showed no great popular hostility to farmers - 90 per cent said that they would not mind if their daughter married a farmer - some experts fear this could change.

Previous articles in the series appeared on October 29 and November 4.

France and Spain seek truce in tomato war

BY DAVID WHITE IN MADRID

SENIOR FRENCH and Spanish trade officials are due to meet today in an attempt to impose a truce in the two countries' latest tomato war.

The conflict over Spanish tomato growers' difficulties in sending their produce to France flared yesterday morning, when angry exporters used lorries to block central Madrid streets, offloaded tomatoes in front of the French embassy, and brought traffic in the capital to a virtual standstill.

The incidents threatened a repeat of a similar battle at the same time last year, which culminated with Spanish protesters blocking the main frontier crossing at La Jonquera in the eastern Pyrenees region.

Exporters said they were protesting because of the hostile attitude of the French Agriculture Ministry and the slowness of efforts by Spanish authorities to resolve the problem. They also complained that tomatoes from Morocco were receiving more favourable treatment on the French market.

Exports of tomatoes from the Spanish Mediterranean region to France are subject to a time-table and minimum price system. Like other Spanish fruit and vegetables, they do not start being integrated into the EC farm system until 1990.

Mr Miguel Angel Fernandez Ordonez, Secretary of State for Trade, said the obstacles which France was putting in the way of Spanish tomatoes were "devoid of economic sense, and only benefited other countries,

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd, Frankfurt am Main, Germany, and by the Financial Times (USA) Inc, New York, New York, USA. The Financial Times is published daily except on Sundays and public holidays. US subscription rates: \$355.00 per annum. Second-class postage paid at New York, NY, and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 44 East 68th Street, New York, NY 10022.

Engineering thermoplastics for high-technology applications.

Grilamid-EMS

Today, EMS polyamides form part of the group of high-grade engineering thermoplastics. EMS have specialised in such materials for 40 years, using their own processes and technology to improve them. EMS have created new properties for polyamides - those required by the latest product technologies.

That is why with Grilamid, one of our top-quality engineering thermoplastics, we are very much in the new products, high-technology market. For example in fibre-optics, watch housings, spectacles, sports footwear and automobiles - wherever progress makes higher demands on our materials.

Our products are capable of meeting many specific criteria. Expert EMS consultants, backed by extensive applications engineering, help you to solve your engineering and processing problems.

EMS is a name you can trust. We are an internationally active Swiss chemical and engineering company and we guarantee quality, reliability, know-how and customer service.

EMS-CH "IE AG
CH-7013 Jol/EMS, Switzerland
Telephone 041/36 01 11
Telex 851 400, Fax 081/36 38 16

In Great Britain:
EMS-GRILON IUKI Ltd.
Astonfields Industrial Estate
Drummond Road
GB-Stafford ST16 3EL
Telephone 0785-59 121, Telex 36 254
Fax 0785-21 30 68

EMS

ENGINEERING PLASTICS
SYNTHETIC FIBRES
ENGINEERING

MANDARIN ORIENTAL THE HOTEL GROUP

The legend of Mandarin Oriental was created by two of the finest hotels in the world. The Oriental Bangkok and Mandarin Oriental Hong Kong. This legend grew from a reputation for excellence in service and a dedication to providing the most elegant accommodation. Now, the essence of that legend has been captured by Mandarin Oriental Hotels in a few other select locations including Singapore and San Francisco. So it's hardly surprising that other hotels have tried to capitalise on our good name. Needless to say, though, they haven't been able to imitate the legend.

MANDARIN ORIENTAL THE WORLD'S FINEST HOTELS

OVERSEAS NEWS

Maggie Ford reports on the opening shots in the South Korean election campaign Presidential hopefuls take to the hustings

WITH ALL four candidates in the South Korean presidential election finally out of the closet and on to the political platform, the eventual result is just as difficult to predict as it was after last June's nationwide demonstrations.

The demonstrations were triggered by the selection of Mr Roh Tae Woo as candidate for the ruling Democratic Justice Party for a presidential poll to be held under old rules and which he was sure to win. After millions took to the streets in protest, Mr Roh announced a series of democratic reforms, including the direct elections to be held in December.

Since then three other candidates have announced plans to stand and four political parties have been formed. The other candidates are Mr Kim Young Sam of the Reunification Democratic Party, Mr Kim Dae Jung who heads the Peace and Democracy Party and Mr Kim Jong Pil of the New Democratic Republican Party.

A fair degree of consensus exists on the four candidates' basic policies, reflecting national agreement over change in the country. All four support fairer income distribution, a drive towards reunification with the Communist north, an end to corruption, freedom of the press, changes in labour relations with management and an end to military involvement in politics. The overwhelming approval



Kim Dae Jung: a good strategic thinker

given last week by voters to the bipartisan constitution indicates that there is widespread understanding about what should be done. The question is which man can be trusted to do it without provoking a backlash from hardliners and at a pace which will meet public aspirations for fairness and reconciliation and stability along with change.

Mr Roh suffers the severe disadvantage of having been involved in the 1979 military coup in support of President Chun Doo Hwan when they were both senior generals. Most Koreans

are keen to vote for an opposition president - that, they feel, is what the fight for democracy is about.

Mr Roh claims that his June reforms prove he is a democrat and that as a former military man he is best qualified to deal with any attempts at interference. He also scores points with those especially concerned about economic stability and defence. These voters tend to be older, but about 60 per cent of South Korea's 25m electorate is under 40.

Mr Kim Young Sam, a conservative democrat, has been fighting against authoritarian governments in South Korea for more than 30 years. From a wealthy family and educated at a top university, he attracts considerable support from the large middle class and from his regional home of Pusan, the industrial heartland of South Korea, which has thrived on the economic boom.

Should he win, he is likely to adopt a policy of more gradual change than Mr Kim Dae Jung, his former colleague, Jung, who last week split from their joint party to form his own group after a protracted but fruitless debate about producing one opposition candidate.

The split has attracted strong criticism because it could allow Mr Roh to win. Mr Kim Dae Jung has pledged that if that danger exists just before the election, one of them will step down in favour of the other.



Kim Young Sam: support from the large middle class

Mr Kim Dae Jung, who has suffered most from military dictatorships, almost won the last presidential election in 1971 against Mr Park Chung Hee. He has been imprisoned, and nearly executed, placed under house arrest and kidnapped under both governments. His base of support comes from the urban poor, students and other young people and natives of his home province, Cholla. He also has some support from liberal intellectuals.

Widely regarded as highly intelligent, a good strategic thinker and an experienced politi-

cian, he faces fears that he would take revenge for the deaths caused by the military in the Cholla city of Kwangju in 1980. This in turn, might provoke military retaliation. Those not from Cholla also worry that they might suffer in changes to benefit the region.

Mr Kim has yet to convince the public that he is sincere in his promise not to take revenge and to deal fairly with all people. Mr Kim Jong Pil, who is associated with the former Park regime, is not expected to have a chance of winning the election, but his support may cut into Mr Roh's vote, both among older people and those in his home area of Chung Chon.

Gauging voting intentions may become easier in the next few weeks as media campaigning starts, although a ban on opinion polls remains in place. Mr Kim Dae Jung, the first candidate to be interviewed in a series by senior journalists, impressed voters with his speaking ability, but failed to convince them he was trustworthy. Mr Kim Jong Pil, who was interviewed on Monday, appeared sincere in his commitment to democracy.

But South Koreans are clearly enjoying the greater freedom and the chance to vote in what is for many their first presidential election. They remain determined to secure democracy this time - and to hold on to it in the future.

US steps in to assist Liberian economy

By Nicholas Woodworth in Abidjan

MR JOHN BESTMAN, Liberian Minister of Finance, has announced that a group of US economic experts will arrive in Liberia next week and attempt to turn around the country's falling economy. He also revealed that the World Bank had suspended its operations in Liberia.

The experts are part of a 17-man team of economic advisers known as Opex (operational experts). They will install themselves in various key ministries, including the Ministry of Finance and the Central Bank of Liberia. Given complete control of all financial operations, they will be responsible for co-ordinating all Liberian government cheques and executive documents.

This initiative by the US, Liberia's largest aid donor, has been prompted by the Government's inability to deal with bureaucratic inefficiency, corruption, and debt servicing.

The World Bank has said that until Liberia is able to control budget expenditures and make regular debt repayments, it will not resume operations. The International Monetary Fund is reportedly considering a similar withdrawal.

Iranian leaders again dismiss UN peace effort

BY OUR MIDDLE EAST STAFF

FOR the second time in three days one of Iran's top leaders publicly dismissed as useless UN diplomatic efforts to bring about a ceasefire in the seven-year-old conflict with Iraq.

Mr Mir-Hossein Mousavi, the Iranian Prime Minister, was quoted by Tehran yesterday as saying "we have no hope for a solution to the war through the (UN) Security Council."

His remarks followed the far more caustic comments of Mr Hashemi Rafsanjani, the powerful Speaker of the Majlis (parliament) and chief war spokesman, who earlier this week accused the UN of cheating and said that the only way of bringing the fighting to an end was to deliver a "crushing blow" against Iraq.

Diplomats at the UN say that in private Iranian representatives continued to sustain pressure on Iranian oil traffic and installations. A military spokesman in Baghdad said that the Ahwaz oil fields in south-western Iran had been raided.

Earlier Iraq had reported strikes on production facilities in the Bazman area in the same region, the Kharg Island terminal, and four vessels in the northern Gulf.

One was independently identified as the 266,778-ton Taftan. There was no news of any casualties.

He is reported to have been "not encouraged" by meetings on Monday with Mr Said Rajai Khorassani, the Iranian Ambassador, and Mr Ismat Kittani, his Iraqi counterpart.

On Tuesday Mr Charles Redman, US State Department spokesman, said that it was time to start drafting a resolution on mandatory sanctions on the supply of arms to Iran.

He added, though, that the US was willing to wait for the next round of talks, expected to take place some time after the forthcoming Arab summit meeting scheduled to begin in Amman, Jordan, on Sunday.

Yesterday the Iraqi air force continued to sustain pressure on Iranian oil traffic and installations. A military spokesman in Baghdad said that the Ahwaz oil fields in south-western Iran had been raided.

Earlier Iraq had reported strikes on production facilities in the Bazman area in the same region, the Kharg Island terminal, and four vessels in the northern Gulf.

One was independently identified as the 266,778-ton Taftan. There was no news of any casualties.

Arabs lead population growth rate in Israel

ISRAEL'S population grew by 1.5 per cent to 4.8m between 1985 and 1986, but the growth rate among the country's Arab citizens was twice as high as that of its Jewish ones, AP reports from Jerusalem.

The numbers were included in the 1987 statistical yearbook published by the government-run Central Bureau of Statistics.

They were in line with previous projections that there could be an Arab majority in Israel and the occupied West Bank and Gaza Strip within a few decades.

Israel's "demographic time bomb" has been used as a political argument. Leftists say the army must withdraw from the occupied West Bank and Gaza Strip to preserve Israel's Jewish character. The right-wingers call for the expulsion of the Palestinians from the occupied territories.

At the end of 1986, Israel proper was home to 3.5 Jews, or 86 per cent of the population; 604,000 Moslems, or 12.5 per cent; 101,000 Christians, or 2.3 per cent; and 74,000 Druze, or 1.7 per cent.

From 1963 to 1986, the number of Jews in Israel increased by 1.3 per cent, the number of Moslems by 3 per cent, the number of Christians

by 1.5 per cent, and the number of Druze by 2.5 per cent.

Mr Moshe Saron, the Government Statistician said among the reasons for the different growth rates were fewer Jewish immigrants, a large number of Jews leaving the country, and a higher birth rate among Moslems.

He said each Moslem woman has an average of 4.5 children, compared with 2.8 children per Jewish woman.

If current trends continue, Israel will have a population of between 5.2 and 5.5 people in the year 2000, including about 1.1 Arabs, Mr Saron said. The Jews would constitute 78 per cent of the population.

The yearbook does not provide figures for the occupied West Bank and Gaza Strip but Mr Saron said the Palestinian population was expected to increase from about 1.4 in 1986 to more than 2m by the year 2000.

Some 65,000 Jews at present live in the occupied territories. Mr Saron did not say how many were expected to live there at the end of the century.

In Israel captured the West Bank and Gaza Strip during the 1967 Middle East war.

Israeli shekel under pressure

PRESSURES are growing in Israel for a devaluation of the shekel, to compensate for this year's collapse in the value of the dollar against other major currencies, Andrew Whitley reports from Jerusalem.

But any such move is likely to be stoutly resisted by the economic authorities. The devaluation makes absolutely no sense. It is a bad habit we Israelis have got ourselves used to, said Mr Amos Rubin, economic adviser to Prime Minister Yitzhak Shamir.

Since last January's 10 per cent devaluation against the dollar, and the simultaneous repegging of the Israeli currency against a broader-based basket of currencies, domestic prices have continued to rise at an annual rate of just under 20 per cent.

This has aggravated the deteriorating external competitiveness of certain sectors of manufacturing industry.

Japanese boost payments bonus

JAPAN'S leading electrical groups are offering employees a 5 per cent increase in their annual bonuses this year, Ian Rader writes from Tokyo.

The move, which is likely to be followed by most industries, is a reflection of the strong profit recovery in much of Japanese industry. However, electrical companies warned yesterday that it should not be interpreted as an expression of confidence in their prospects, especially now that the yen is rising again against the dollar.

Last year, when industry was being battered by the sudden and sharp rise of the yen, bonuses in the electrical industry rose only 0.15 per cent on average, while in many other sectors they were cut or eliminated altogether. Since then companies have raised prices and cut costs to restore profits.

In the electrical industry bonuses amount to the equivalent of five months salary.

Jayewardene visits India for talks on accord

BY K.K. SHARMA IN NEW DELHI

PRESIDENT Junius Jayewardene of Sri Lanka began a two-day visit to India yesterday, marking renewed efforts to resolve differences over the implementation of the Sri Lanka-India accord.

The differences continue in spite of prolonged meetings between Mr Jayewardene and Mr Rajiv Gandhi, the Indian Prime Minister. The two leaders were both in Kathmandu recently for the summit of the South Asian Association for Regional Co-operation.

A major development yesterday was the association of the moderate Tamil United Liberation Front with the talks in New Delhi. This suggests that both

the Sri Lankan and Indian governments are bringing in the moderates as the main representatives of the Tamils now that the militant Tamil Tigers are fighting Indian troops in Sri Lanka.

Mervyn de Silva adds from Colombo: Sri Lanka's defence spending has been cut by Rs1.4bn (£27m) in the 1988 budget estimates presented yesterday by Mr Ronnie de Mel, the Finance Minister. However, defence expenditure, down to Rs2.2bn, remains the biggest item.

Total expenditure is Rs3.8bn, an increase of Rs1.1bn.

Travelling on Business in Luxembourg?

Enjoy reading your complimentary copy of the Financial Times when you're staying...

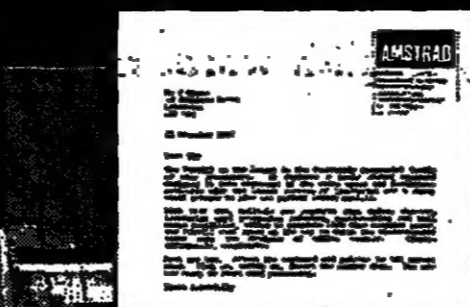
...in Luxembourg at the Hotel Cravat, Holiday Inn, Intercontinental Hotel, Hotel President

FINANCIAL TIMES

Europe's Business Newspaper

EVERY WORD IS PERFECT.

EVERY LETTER IS PERFECT.



THE NEW AMSTRAD 9512 WORDPROCESSOR WITH SPELLCHECK AND DAISYWHEEL PRINTER £499 + VAT

If your letters are less than perfect, we've got the perfect answer.

The new Amstrad PCW 9512 is a wordprocessor with a daisywheel printer.

Unlike dot matrix printers, the daisywheel prints "solid" characters.

The result is superb letter quality printing on all your correspondence and documentation. The printer will accept wide (up to 15") paper and gives automatic paper feed as well as tractor feed for continuous stationery.

And not only will every letter look perfect, every word will be perfectly spelt, because the PCW 9512 has a built-in spelling checker which scans your text and points out the error of your typist's ways.

Never again will your letters let you down.

The 9512 comes complete with paper white screen (much easier to gaze at than a green one) a well designed keyboard and easy-to-use word-processing software.

As well as cutting and editing your text on screen, the software enables you to combine mailing

lists and letters to mail out to prospective clients or customers.

And with its 512K RAM memory and 1 Mbyte disk drive* you can store up to 737,000 characters or 700 pages of text spread through as many as 250 files on your disks. It's like having a whole filing cabinet in your hand. (And if you need even more storage, all you need to do is buy some extra disks.)

You can achieve perfection for just £499 plus VAT* It's an amazingly good buy, and no mistake.

*1 Mbyte unformatted, 720 Kbyte formatted. Recommended retail price including VAT, £573.85. Price correct at 1-9-87, but may change without notice.

Please send me further information on the PCW 9512.

NAME _____
COMPANY _____
ADDRESS _____
CODE _____ TEL _____ FT 5-11

THE AMSTRAD PCW 9512
IT'S WORD PERFECT

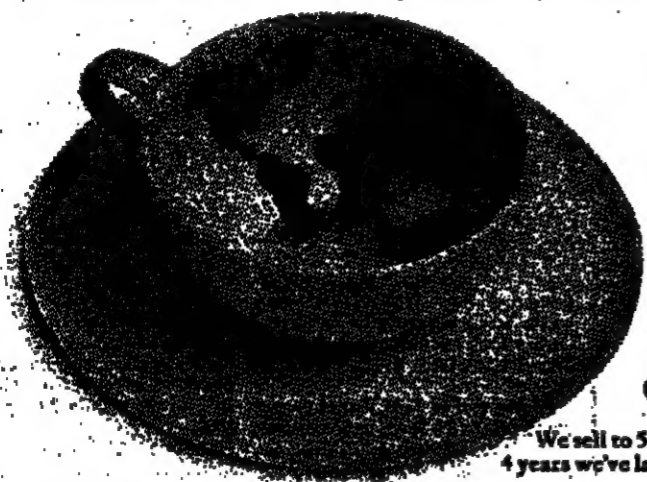
Amstrad plc., PO Box 462, Buxtonwood, Essex CM14 4EF. Telephone: (0277) 262326.

AVAILABLE THROUGH: A.D.T. • ALLDERS • COMET • COMMERCIAL OFFICE EQUIPMENT • CURRYS • DIXONS • ELITEC • FIRST SOFTWARE • HILL INTERNATIONAL • HUGH SYMONS • JOHN LEWIS • LASKYS • MBS • METEYCLEAN • MICRO PERIPHERALS • NORTON • NORTHAMBER • OFFICE INTERNATIONAL • P & P • RYMAN • SANDHURST • VISTEC • WILDINGS

IT'S NOT DIFFICULT TO TELL THE FORTUNES OF OUR TEA AROUND THE WORLD. SIMPLY READ THE LEAVES.

You don't have to be a clairvoyant to discover how successful our brands of tea are in this country. Apart from the Tetley tea folk continually singing our praises on television, six million more ordinary folk, regularly sing our praises over their breakfast tables every morning of the week.

So perhaps it's not so astonishing that our major tea brands, Tetleys, Lyons and Quick Brew now account for one in five of all the cuppas sold in Britain. A closer look at our tea business around the world does, however, reveal some facts which are a little more surprising.



From Yemen's backstreets to Uruguay's ritzy hotels, our brands are the only English words many people speak.

We sell to 50 countries and in the last 4 years we've launched 20 new tea products.

In over fifty different countries in fact, you'll find Allied-Lyons teas. In countries as far apart as Spain, Sweden, Canada and Portugal you'll discover we're the brand leaders. And in the billion dollar United States tea market we're one of the leading brands in the country and rapidly expanding.

Not of course that tea is to everyone's taste. Which accounts for the success of our coffee business around the world. In Great Britain, our Lyons Original is the best selling brand in the ground coffee market.

And in the States our Medaglia D'Oro, Bustello and El Pico brands have long been making all the right noises with espresso and cappuccino drinkers. We have been the brand leaders in the American espresso coffee market for years.

The success of our tea and coffee business is just one more example of our commitment to our role as a leading international food, drink and leisure group. Not that we have any intention of resting on our laurel leaves.

Last year our tea and coffee sales were over five hundred million pounds. And although we wouldn't care to tell our rivals how we see the future, we would say this. We're not predicting any good fortune for them.

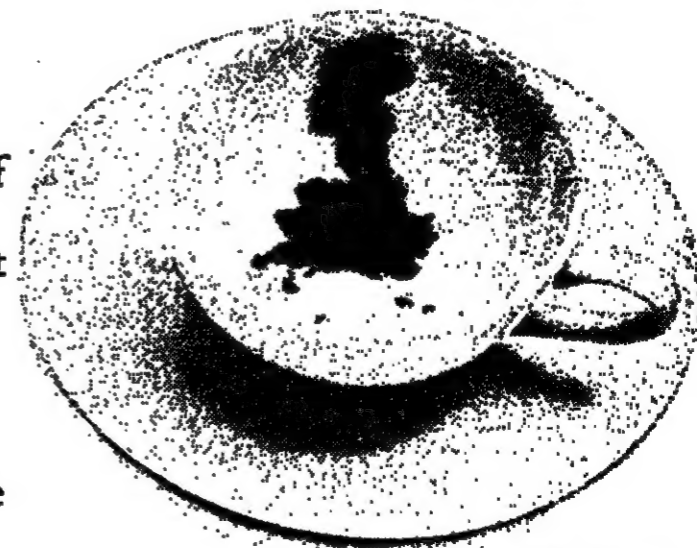
Allied-Lyons



In the billion dollar American market we're one of the leading brands in the country and rapidly expanding.

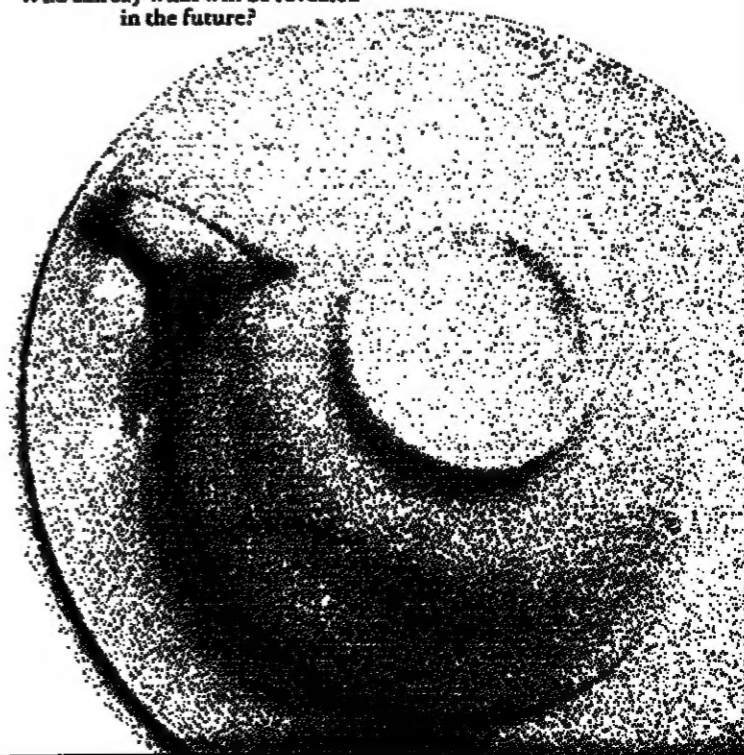


Canada alone buys over 30 million dollars worth of our teas every year. From flavoured teas to tea bags.



One in every five cups of tea drunk in Britain is from Allied-Lyons.

Last year our sales of hot drinks were over £500 million. Who can say what will be revealed in the future?



WORLD TRADE NEWS

Wardair secures novel financing for Airbus deal

BY PETER MONTAGNON, WORLD TRADE EDITOR

WARDAIR, the Canadian airline, will today sign a novel \$500m financing facility to pay for the purchase of 12 A-300-600 Airbus aircraft which it will use to develop its domestic Canadian routes.

Co-ordinated by National Westminster and Banque Paribas, the deal breaks new ground for aircraft financing. It is likely to stimulate pressure for a more creative approach to aircraft financing as well as for changes in international rules on such credits.

It is the first such deal to be funded in the long-term capital market. It also includes a separate \$150m facility which will effectively extend its life to 15 years compared with the standard 12-year maturity normally permitted under Organisation for Economic Co-operation and Development rules for officially guaranteed aircraft financing.

The two co-ordinators won the deal against competition from the traditional Airbus consortium of Midland, Credit Lyonnais and Dresdner Bank.

Together with First Boston, which has been advising Wardair, they have devised a deal designed to meet the airline's requirements of long maturity and local currency funding.

Mr Tom Currie, Wardair Chief Financial Officer, said yesterday the arrangement would give Wardair access to low cost Canadian dollar funds which would not have been available under a conventional export

credit arrangement. "For a deal this size, there was no way we wanted to have foreign currency exposure," he said.

Britain's Export Credits Guarantee Department, Coface of France and Hermes of West Germany will guarantee the facility, though not the separate refinancing arrangement to avoid conflict with the OECD rules. This is a separate deal which does not involve any official guarantees.

The French and British guarantees will be used to back-up letters of credit issued by participating banks. In turn these will be used to back long-term borrowing in the Canadian domestic bond market.

This is the first time official guarantees have been used for such a purpose. The structure is also designed, however, to prevent direct involvement by the agencies in Canadian capital market borrowing which they do not want at this stage.

German regulations meanwhile require funding for export credits to be provided by local banks. The German portion, amounting to US\$201.6m, will thus be made available directly to Wardair by the state-owned Kreditanstalt fuer Wiederaufbau (KfW).

This portion will include a \$12.8m fixed rate loan that is likely to be swapped into Canadian currency. KfW will not participate in the separate refinancing facility to ensure compliance with OECD rules.

Hercules to set up carbon fibre facility in Spain

BY DAVID WHITE IN MADRID

THE Hercules Group of the US is to produce carbon fibre in Spain to supply European aerospace and defence manufacturers.

A \$10.8m plant at Paris, south of Madrid, due to start operating next autumn, will be Hercules' first in this field outside the US, where it is the leading producer of graphite fibre, and the first facility of this kind in Spain.

Mr David Hollingsworth, Hercules chairman and chief executive, said that about a third of output would be exported. The project was also geared

to US aircraft programmes subcontracted in Europe, including the McDonnell Douglas F/A-18 fighter which is being supplied to the Spanish air force and the same company's MD-11 airliner.

The new unit will provide the materials for the carbon fibre stabilisers which Spain's state-controlled aerospace company Construcciones Aeronauticas (CASA) makes for the European Airbus and other aircraft.

Hercules has a 90 per cent share in the Spanish manufacturing venture alongside Inisa, an investment promotion arm of the INI state holding group.

Clash over Kansai airport deal is settled

By Ian Rodger in Tokyo

THE fostering row between Japan and the US over access for foreign construction companies to the ¥1,000bn (\$7.3bn) Kansai airport project near Osaka has been settled.

However, Japan's Transport Minister, Mr Ryuzo Hashimoto, admitted yesterday that the Government still had a "big problem" in its relations with the US because of the obstacles foreign companies face in trying to win contracts in Japan.

The construction industry in Japan, as in many countries, is closely linked with internal politics, and Mr Hashimoto made clear that it would be difficult for the Government to remove regulations and practices that protect the domestic industry from foreign competition.

The Kansai airport row erupted when the US accepted a Japanese proposal to put out to international tender more of the consulting contracts for the airport.

But at the same time the Japanese made clear that the revised practices adopted for the Kansai airport as a result of US pressure would not apply to other public sector projects.

The Kansai project is technically a private sector undertaking because it is being carried out by a private company, Kansai International Airport Company (KIAC), that was formed and financed by the national and regional governments.

Mr Hashimoto said yesterday that it would be much more difficult for the Government to change the rules affecting its own contracts.

He said his ministry, for example, could not alone cope with the US demand that the Kansai rules apply to all the Government's planned big construction projects, such as major airport expansions in Tokyo.

Malaysian Airline orders GE engines

Malaysian Airline Systems has selected the General Electric high bypass turbofan engine to power its Boeing 747-400 aircraft in a deal worth \$60m, AP-BJ reports from Evanston, Ohio.

The company said it would take delivery of its first 747-400, fitted with the CF6-80C2 engines, in March 1993.

Britain trades on Nigeria's future

THIS WEEK'S British trade promotion programme in the northern Nigerian city of Kano is designed to highlight opportunities for expanding Anglo-Nigerian trade following the resumption of credit cover by Britain's Export Credit Guarantee Department (ECGD).

The three-day series of business seminars - Britain and Nigeria: Partners in Trade - which began on Wednesday, were officially opened by Mr Kenneth Clarke, the UK Minister of Trade and Industry.

It is the largest trade promotion event in Nigeria for many years and underscores the importance of Britain's trade and investment ties with Africa's most populous country.

The programme covers finance and services, agriculture and industry and experts will explain how the UK can help Nigeria recover from its protracted recession.

Nigeria is Britain's largest market in black Africa with 1986 exports of £566m (\$325m) - 23 per cent of total UK sales to sub-Saharan

Africa. The main exports are machinery and transport equipment, accounting for 40 per cent of the total, followed by chemicals, accounting for 22 per cent.

Britain supplies one-fifth of all OECD (Organisation for Economic Co-operation and Development) exports to Nigeria - the biggest market share that the UK enjoys in any of the larger world markets.

On the investment side, UK companies are responsible for about 40 per cent of direct foreign investment in Nigeria. However, recently Nigeria has been a contracting market for foreign suppliers and a difficult and even unprofitable one for some companies.

The share of imports in Nigeria's gross domestic product has halved since 1980, from more than 20 per cent to less than 12 per cent this year. This reflects the steep decline in Nigerian oil exports from \$25bn in 1980 to \$8.5bn last year.

As oil exports fell, Nigeria borrowed heavily abroad to sustain its balance of payments, while allow-

Tony Hawkins, recently in Lagos, examines an exhibition in Kano which highlights Britain's trade and investment ties with Nigeria which have strengthened recently.

ing the build-up of an estimated \$10bn in arrears on trade and interest payments.

British exports to Nigeria fell 65 per cent in the first half of 1987, though the UK's market share held steady at 18 per cent over the period.

Foreign debt troubled in the first half of the 1980s, reaching more than \$22bn last year. The debt-service ratio soared to 47 per cent in

1986 from only 2 per cent in 1980. Foreign suppliers found it increasingly difficult to sell to Nigeria and even when they were successful, payments were often delayed.

As a consequence of the trade payments arrears the export credit agencies restricted or withdrew cover. This and the tightening of import controls resulted in last year's 40 per cent fall in British exports to Nigeria and a further 17 per cent decline in the first half of 1987.

However, the situation is radically changing for the better following the introduction in mid-1986 of the structural-adjustment programme and the launch of the foreign currency auctions 13 months ago.

The subsequent steep fall in the naira from a pre-auction level of 84 US cents to 22 cents at present, has eliminated the naira's overvaluation. More importantly this has enabled the authorities in Lagos to abolish import licensing.

In recent months several countries have resumed official credit cover to Nigeria on a limited basis, though a full resumption will not be possible until Nigeria has met arrears on payments due to some export credit agencies.

In July, Britain announced the resumption of medium-term credit cover by the ECGD and the provision of a £200m credit line for agricultural and industrial imports. In addition, cover will be provided for certain existing ECGD-backed projects, as well as for new projects on a co-financing basis with the World Bank. Increased cover will also be provided for short-term trade transactions of up to 180 days.

The currency auctions, trade and payments liberalisation, and the lowering of tariffs under the structural adjustment programme all point to improved trade opportunities, though the nature of these has changed.

Under the new tariff and exchange regime, import-intensive, low-value-added activities are no longer viable and the emphasis is switching to the supply of raw materials.

Tokyo keeps up Gatt protest on sanctions

By Our Tokyo Correspondent

JAPAN INTENDS to continue with its protest under the General Agreement on Tariffs and Trade against the remaining \$155m worth of US sanctions over semiconductors.

Mr Hajime Tanaka, Minister of International Trade and Industry, said yesterday he welcomed the partial lifting of trade sanctions this week. Nonetheless, he said, the remaining sanctions over lack of market access were kept without due reason.

Japan will ask Gatt to set up a multilateral panel to discuss the issue when it holds a council meeting in Geneva next week. A formal complaint will probably be filed at a Gatt general meeting in early December.

The sanctions were imposed last April over Japan's alleged failure to open its markets to foreign chip makers, plus alleged dumping of Japanese chips in third-country markets. The sanctions took the form of 100 per cent duties on selected Japanese products.

Punitive duties now remain in place on high-performance desktop computers, lap-top computers and electro-mechanical hardware.

Carla Rapoport finds a continuing reluctance to buy foreign chips

Japan hangs on to its cutting edge

SEMICONDUCTORS in Japan are so important to the country's industrial health that they are called the rice of industry. Like the real thing, however, the Japanese still prefer the home-grown variety.

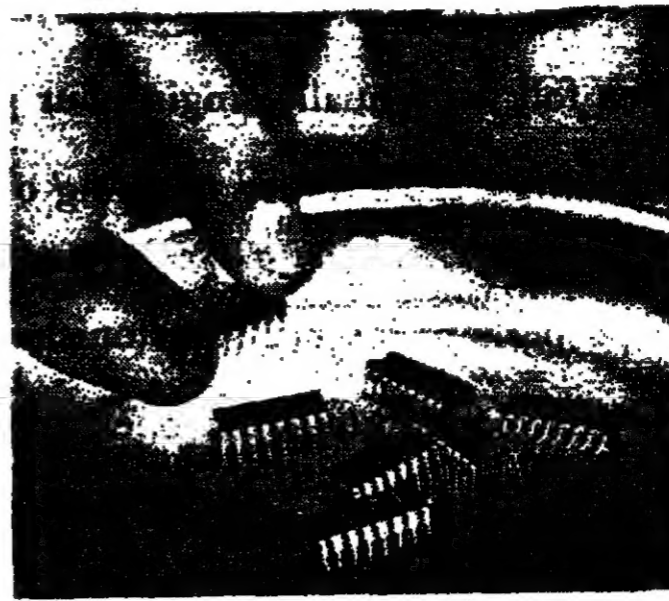
President Ronald Reagan's partial lifting of trade sanctions this week does reflect progress in the long-running US-Japanese semiconductor trade dispute. In lifting \$94m (\$48m) worth of sanctions, the President effectively said that the Japanese had stopped dumping chips in overseas markets.

But the US says the problem of lack of access to the Japanese chip market remains and in spite of official pronouncements by the Japanese Government to the contrary, Japanese industry executives privately agree: Japan's chip industry is too important to give way to foreign suppliers, they say.

Semiconductors provide the Japanese with their cutting edge in product innovation and manufacturing efficiency. The newest, fastest and smallest integrated circuits (VLSI) will sell at any price, regardless of the yen-dollar exchange rate and the key to making such products at an attractive price is the microchip.

Japan's traditional complaints against US suppliers - which pioneered the microchip - were over alleged problems in quality, delivery and design. According to the Japanese, these still exist, but most of them say US and European suppliers are much improved in these areas. The remaining problem, however, appears in the form of a steadily rising yen, which drops to unprecedented lows against the yen, making US chips steadily cheaper in Japan.

The problem is one of flexibility and speed, and it cuts to the core of the way Japanese companies do business. "It's not a question of quality," Carol



US and European suppliers are still unable to match the quality acceptance levels of Japanese manufacturers.

Ryavec, an analyst with Salomon Brothers in Tokyo, explained. "It's the ability to make chips which can keep up with the Japanese." The chip makers and users work together constantly redesigning chips to ensure that the end product can be better, smaller or at least different from a competitor.

This ability is particularly important now, as the big electronics companies scramble for ways to maintain sales abroad in face of the high yen and to boost sales at home to make up for lost exports.

The Japanese Government is pushing industry hard to increase its purchases of foreign microchips, with heavily publicised military orders of foreign chips bought out of patriotic duty are depleted.

Furthermore, Japanese chip makers continue to criticise US

suppliers for failing to meet Japanese quality standards. At an International Semiconductor Co-operation Symposium last month, a senior executive from Canon, the electronics goods manufacturer, detailed the quality problems it had found with its imported chips.

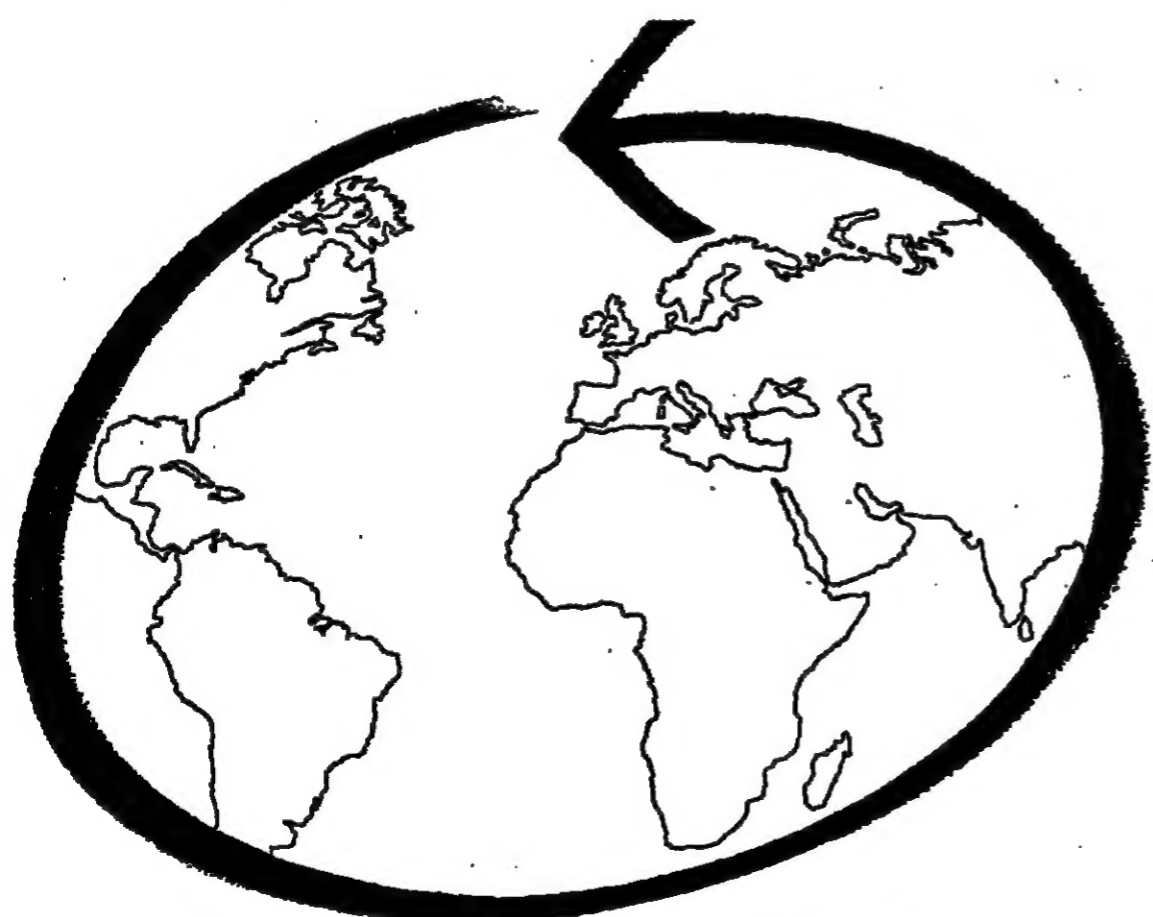
Mr Keizo Yamaji, executive vice-president, said that imported chips would account for 25 per cent of Canon's chip purchases this year. Nonetheless, it had encountered "serious troubles with overseas semiconductor devices".

Canon had dealt with all the leading chip manufacturers outside Japan and had encountered quality problems for a long time, he said. After inspections, Canon discovered that these problems had occurred primarily in wafer production. He said that foreign suppliers needed to improve their level of cleanliness and automation.

Another large chip purchaser supported Canon's view. The Japanese work on a zero-defect basis, he said. Americans have an acceptance quality level, or AQL, which means that three out of a thousand chips could be defective in a given batch. "We always guarantee 100 per cent quality to our customers," said one of Japan's leading electronics companies. "So our only quality level acceptance is 100 per cent."

Other chip makers contacted this week had similar complaints. One pointed out that with the recovery in chip demand in the US, Japanese buyers are sliding down their list of priorities. "You can't say, sorry, not now, we're too busy," he said. "You're too late, permanently," said an executive with one of the big chip buyers.

Given Japanese tenacity and the determination of the Americans, this trade dispute could just run and run.



Welcome to Italy and surroundings.

Please, come in. You will find here all the banking services necessary to ensure the success of your international business. 475 branches distributed all over the country; the most widespread banking network in Italy. 18 offices abroad as well as a full worldwide coverage of Correspondent Banks. Moreover, the experience and reliability of a bank that has been working at the highest professional levels for more than a century, in the heart of local and international events. Credito Italiano brings Italy and the World within your reach.

Credito Italiano
wherever banking is a must

Head office
Milan - 2 Piazza Cordusio, Milan 20123 (Italy)
Branches abroad
London - New York - Los Angeles - Grand Cayman - Tokyo
Representatives abroad
Amsterdam - Buenos Aires - Cairo - Caracas - Chicago - Frankfurt A/M
Hong Kong - Houston - Moscow - Paris - Peking - São Paulo - Zürich

UK to boost trade with Taiwan

By Bob King in Taipei

BRITAIN is to send its first trade mission to Taiwan this month in a drive to consolidate trade and investment ties.

Taiwan's recent liberalisation of its trade policies, its decision to drastically cut import tariffs, and its move to further diversify its export markets have all helped to increase British interest in Taiwan as an export market and as a source of investment in British industries, said Mr David Pointon, director of the Anglo-Taiwan Trade Committee (ATTC).

The UK this year has emerged as Taiwan's second largest European trading partner after West Germany. Exports to the UK amounted to \$1.1bn in September, while imports totalled \$535m, leaving a \$566m surplus in Taiwan's favour.

The Taiwan import figures show a 108 per cent increase on last year, while exports were up by 63 per cent. Taiwan's trade with Europe was up 68 per cent to more than \$9.4bn. Exports were up 73 per cent to \$5.7bn, while imports rose 62 per cent to \$3.7bn.

Mr Peter Godwin, ATTC president and a director of Standard Chartered Merchant Bank, will head the 16-member mission. Mr C.F. Chang, deputy secretary of the Euro-Asia center, predicted that European companies will win several contracts in tenders for the Taipei medium-range transit system - limited to US and European companies - because the Europeans had greater expertise than the Americans.

Earlier this month Taiwan's cabinet has approved plans for the country's largest import tariff cuts, averaging 58 per cent on 3,976 products.

The Finance Ministry proposal will be sent to parliament for approval. The cuts, to take effect next year, are on 80 per cent of imports, but the largest reductions are on its main exports. The cuts will leave Taiwan's top tariff rate at 58 per cent.

Israelis win \$20m US army order

By Andrew Whitley in Jerusalem

THE US Army has awarded contracts worth around \$20m for tank-mounted mine ploughs to a little known Israeli defence equipment company, Ramta Structures and Systems, a wholly-owned subsidiary of state-owned Israel Aircraft Industries, confirmed yesterday that it had won two separate contracts for its mine plough - an electro-mechanical device which it claims to be one of the most cost-effective in the world.

The contract is one of the largest awarded in many months to the troubled Israeli defence industry, which is suffering from over-capacity and a sharp decline in domestic orders.

Israel Aircraft Industries in particular has been hit hard by recent government decisions not to sign new military contracts with South Africa and to cancel the Lavi combat aircraft.

The mine plough developed by the Beersheva-based plant carries a unit price tag of about \$70,000, and has reportedly been sold to a number of governments, in addition to the Israeli Defence Forces.

But the US Army order, under negotiation for the past year - for an estimated 300 units - represents a critical breakthrough into a mass market which holds the key to the company's future.

Among other items, Ramta also manufactures wheeled armoured cars, large patrol craft, and anti-aircraft guns. Like many other branches of the Israeli military industries complex, until recently Ramta was orientated almost exclusively towards meeting the needs of the country's own armed forces.

Only in the past few years has it been compelled to seek foreign customers on its own behalf.

NOTICE TO HOLDERS OF

GALAXY OIL INTERNATIONAL N.V.
8 1/2% CONVERTIBLE SUBORDINATED
DEBENTURES DUE 1996
CUSIP NO. 362902AA6

Pursuant to Section 516 of that certain Indenture (the "Indenture"), dated as of January 1, 1981, between Galaxy Oil International N.V. (the "Company"), Galaxy Oil Company, Guarantor (the "Guarantor") and Bank of the Southwest National Association, Houston, Texas (successor of the undersigned), you are hereby notified that the Guarantor has filed a voluntary petition under Chapter 11 in the United States Bankruptcy Court for the Northern District of Texas within Potts County on April 6, 1987. Such filing of a voluntary petition in bankruptcy by the Guarantor constitutes an event of default as defined in Section 501(5).

The Trustee recommends that any holder of the Debentures (the "Debenturers") desiring information about the Guarantor or the Company's actions affecting the Debentures contact the Guarantor, Attention: Treasurer, 918 Lamar Street, Wichita Falls, Texas 76707 or the Company, Handelsteade 8, Willemstad, Curaçao, Netherlands Antilles.

Communication to the undersigned may be addressed to it at:

MBank Houston, National Association
Corporate Trust Department
Three Allen Center
5th Floor
Houston, Texas 77002
Attention: David Perrell

MBANK HOUSTON, NATIONAL ASSOCIATION
As Trustee

**ÖSTERREICHISCHE
VOLKSBANKEN-AKTIENGESellschaft**

US \$25,000,000
Floating Rate Subordinated Notes due 1989

Notice is hereby given pursuant to the terms and conditions of the Notes that for the six months from 9 November 1987 to 9 May 1988 the Notes will bear an interest rate of 7 1/2 per annum with a coupon amount of US\$192.74

London & Continental Bankers Limited
Agent Bank

For the easiest access to financial information there's only one option.

The Apple Macintosh II no less.

When you need to keep your finger on the pulse of world business there's nothing quite like it.

For example, the financial community is required to make important decisions instantaneously.

The better the information the more profitable the decision.

The need for this has been recognised by a company called Telekurs.

It's a consortium set up by the Swiss banks to manage the vast amount of information needed for international trading.

This is where the power of the Apple Macintosh II proved to be a considerable asset. Simply because it provided the best way to access and control what is now considered to be the world's most comprehensive financial database.

Telekurs saw the Apple Macintosh II as the key to personal information management. Because it has been specifically designed to work for, and around an individual's particular needs.

For instance, the Telekurs system will give you real time data, simultaneously allowing you to access and observe as many markets as you wish. All on one screen.

Effortlessly, you can call up international prices in any major currency, analytical graphs and the current value of your portfolio without the usual bother of searching or scanning a bank of different screens.

Which means you can analyse information instantly.

Therefore, keeping yourself up-to-date in order to make business decisions a lot easier.

Perhaps you're looking for prices on a particular item. Without delay it can reveal the impact on the whole portfolio. Any changes and it will revise these automatically.

There's no danger of going over pre-set limits either. An alarm is raised if market prices exceed them.

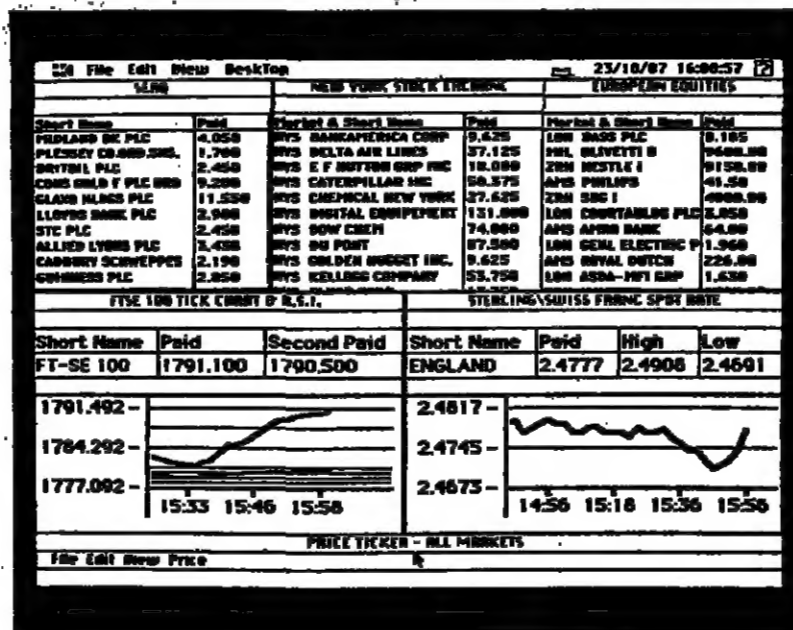
Everything you read on a Macintosh screen is crystal clear. Its graphics are so well defined, output from an Apple LaserWriter™ can be turned into a presentation document for colleagues or clients.

If you already use Apple DeskTop Publishing you will know how famous we are in this area.

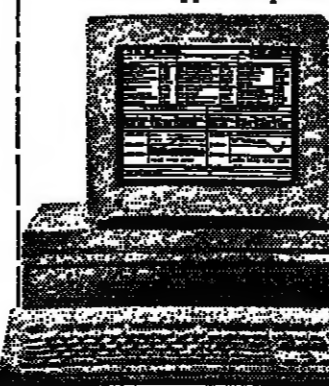
If you are in the financial sector you can see the Apple Macintosh II in action on the Telekurs stand at the Computers in the City exhibition (17-19 November at the Barbican).

Alternatively return the coupon for full information on how it contributes in other areas of business.

Once you have witnessed the power of the Macintosh II your options won't be open for very long.



Please send me more details on how the Apple Macintosh II can fulfill my information management requirements.
Post to: Apple Computer UK Limited, FREEPOST, Information Centre, Eastman Way, Hemel Hempstead, Herts HP2 4BR.



NAME _____
TITLE _____
COMPANY _____
ADDRESS _____
TEL NO. _____

Apple.™ The power to succeed.

APPLE, THE APPLE LOGO, MACINTOSH AND LASERWRITER ARE TRADEMARKS OF APPLE COMPUTER INC.

AMERICAN NEWS

White House, Congress close to SDI compromise

BY STEWART FLEMING IN WASHINGTON

WHITE HOUSE officials are on the brink of an agreement with congressional negotiators under which the US Administration would limit testing of the Strategic Defence Initiative (SDI) in the 1988 fiscal year so as not to breach the narrow interpretation of the 1973 Anti-Ballistic Missile Treaty.

They have also agreed that the Administration will not deploy more nuclear weapons and violate the SALT II treaty, even though the Administration has said it is no longer bound by the SALT II limits.

Last week it was reported that representatives of the Congressional Armed Services Committee and the White House had opened negotiations over clauses attached to the 1988 Defence Authorisation Bill which are designed to force the Administration to stay within the narrow interpretation of the terms of the ABM Treaty and the SALT II limits.

Congressional analysts say negotiators are close to a compromise although details have yet to be worked out and approved by the White House. This would remove from the De-

PRESIDENT Ronald Reagan announced yesterday that Mr Caspar Weinberger was resigning after nearly seven years as US Defence Secretary. Mr Reagan nominated National Security Adviser Mr Frank Carlucci to succeed Mr Weinberger. He appointed Mr Carlucci's deputy, Lt Gen Colin Powell, to take over Mr Carlucci's White House post.

Mr Reagan said: 'We're here to say Godspeed to an old friend, the finest secretary of defence in the history of our nation - Cap Weinberger.'

Mr Carlucci's nomination requires Senate confirmation. Lt Gen Powell's does not.

ence Bill the language requiring the Administration to seek congressional approval for testing of SDI which would breach the ABM Treaty. However, the White House would agree that 1988 funding levels did not permit it to carry out such tests.

If President Ronald Reagan accepts this formulation, it would represent a significant step back from his earlier stance. However, it would also

avoid the threat of a public confrontation with Congress on arms control policy on the eve of the summit negotiations with Mr Mikhail Gorbachev, the Soviet leader, on December 7.

Moscow has made it clear that the pace of testing of the SDI will be one of the key issues it wants to discuss at the summit.

Conservative supporters of the SDI programme have been charging that efforts led by Senators Sam Nunn and Carl Levin to force the President to stay within the narrow interpretation of the ABM Treaty, which strictly limits SDI testing, not only tie Mr Reagan's hands at the negotiating table but also give Moscow something it wants without having to make any concessions.

The agreement being worked out now meets that criticism by leaving the President with the apparent freedom to adopt the broad interpretation of the ABM Treaty in the future.

Conservative advocates of the SDI programme will almost certainly denounce such a compromise seeing it as a further step towards putting limits on SDI testing.

Brazilian employers to oppose jobs move

By two Danes in Rio de Janeiro

BRAZILIAN businessmen are launching a national day of protest against radical labour laws, approved by the key drafting committee for the new constitution.

A number of newly-created business organisations, formed specifically to lobby the Constitutional Assembly, are demanding that the provisions be scrapped when they are debated by the plenary session of Congress, probably next month.

The proposal that has most alarmed employers is a guarantee of a job-for-life for workers who have completed more than three months full-time employment at a company. They have warned that this alone could result in hundreds of bankruptcies, particularly among smaller companies.

Other clauses opposed by business are the reduction of the working week by four hours to 44 and automatic double-time payments for those working overtime.

About 1,000 business organisations are expected to back the protest, the form of which is yet to be decided. They include the Union of Brazilian Businessmen (UBR) whose recently-formed consultative council unites 72 of the country's most influential industrial and financial leaders.

Beyond the labour provisions, the business community fears that new tax rises are imminent. According to Mr Lawrence Pili, co-ordinator of a leading small businesses association, results of a detailed questionnaire have shown mounting discontent at the Government's interference in markets and its failure to cut the public sector deficit.

Bahamas call to invalidate poll

By Athena Daninos in Nassau

THE BAHAMAS' two major political parties have asked the election court to declare void the June 19 election results in 46 of the 49 constituencies.

Both parties have asked the election court to declare their candidates the winner or, alternatively, for a declaration that the elections were void because the voters' register was not published in the time frame or manner stipulated by the law.

Tim Coone reports as pressure for economic change grows in Argentina

Alfonsín faces unenviable choice

AN unseasonal downpour gave the Argentine Government of President Raul Alfonsín support from an unexpected quarter during Wednesday's general strike.

The rain, which lasted most of the day, dampened spirits and turned what was expected to be a major trade union protest march upon the presidential palace into a sodden, subdued affair. Only 30,000 demonstrators turned out to listen to the exhortations of the strike organisers, Mr Saul Ubaldini, from under a passive panorama of dripping umbrellas.

But the 12-hour strike succeeded in paralysing the country and in driving home yet another message of the growing unpopularity of the Government's controversial economic policy. Even staff at the presidential palace and airline pilots who had ignored the previous eight general strikes called made by the General Confederation of Workers (CGT) since 1983, joined this stoppage.

Mr Ubaldini, the secretary-general of the CGT, in his most frontal attack on the Government, called for the resignation of Mr Juan Sourrouille, the Economy Minister, and announced that the latest strike was simply the start of a prolonged campaign of industrial action against the economic policy. The conditions for a truce, he said, were an immediate moratorium on Argentina's \$54bn foreign debt and a reactivation of domestic demand through rises in real wages.

Such a position, although considered an extreme representation of the Peronist opposition proposals on economic policy, is nonetheless finding an echo even within the ruling Radical



Sourrouille: unprecedented pressure

party (UCR). Mr Federico Storani, chairman of the lower house foreign affairs committee in the Congress and a prominent figure in the Radical party with the backing of most of the party's youth movement, said that since the party's September electoral defeat, 'there is no longer a blank cheque for the economic team. There is a profound discussion going on... and the one area where we do have the possibility of changing emphasis is on the foreign debt.'

The world stock market crash last month and a steady rise in interest rates by next year weaken the underpinnings of his economic strategy and make an Argentine debt default ever more likely.

The Government's path out of Argentina's present economic crisis is through a plan of five years, supported by fresh finance from the world banking community and stable interest rates. A worldwide recession, with its implications for a downturn in trade and falling commodity and raw material prices, is the worst possible scenario for the success of the plan.

Argentina's falling trade surplus will be reduced further and, together with higher interest rates, will necessitate even higher foreign borrowing to meet its debt obligations. The willingness of the creditor banks, themselves under pressure after the stock market crashes, to extend further loans to Argentina is equally questionable.

Mr Sourrouille and Mr Mario Broderick, the Finance Minister, are facing unprecedented pressure. Mr Broderick last week raised the backlogs of provincial governments when he told them that they would not get extra financial support unless the opposition backs a package of tax reforms now awaiting passage through Congress.

At the same time, the central bank began bouncing cheques from banks owned by the provincial governments which are an important source of finance for the provinces. The governors have been further outraged at figures produced by Mr Broderick which purport to show that the provinces have been prodigal spenders. The governors claim the figures meant a rupture with the banks.

Meanwhile Mr Enrique Nosiglia, the Interior Minister, has been called in to smooth ruffled

feathers and to try to keep alive a government proposal to put together a 'governability pact' with the opposition parties. Such a pact is considered vital by the Government: from December onwards the opposition parties will hold a majority in the two houses of the Congress and will hold all but two of the governorships of the country's 22 provinces.

Senior economic advisers in the Government warn that failure to approve the reforms will seriously prejudice government finances in 1988.

With the likelihood of the Peronists entering into such a pact now increasingly remote, without a big shift in economic policy, press speculation in the past few days has centred on the possibility of the right-wing party, the Centre Democratic Union (UCD) and its leader Mr Alvaro Alsogaray, being asked to become the lynchpin of the pact.

Together with several of the small regional parties, a UCD alliance would hold a sufficient majority in the Congress to pass the tax reform laws the Government wants. Mr Alsogaray has made it clear, however, that such a pact would require giving him much greater influence over economic policy. He is a former economy minister in the 1960s and a self-confessed free market guru and admirer of the US system.

For President Alfonsín it is an unenviable choice. To accommodate the trade unions meant a rupture with the banks. To muddle through with his present economic team or to strike a deal with Mr Alsogaray, however, implies all-out war with the unions.

Mexico suspends debt swap programme for two weeks

BY DAVID GARDNER IN MEXICO CITY

MEXICO has suspended its debt-to-equity conversion programme for two weeks, according to senior finance officials.

The formal reason for the suspension is so that the financial authorities can review the effects of the scheme on liquidity and inflation. Interest rates and credit, and on the budget, due to be announced in two weeks' time.

But officials confirm it is also intended to send a discreet message to Mexico's creditors that they cannot expect to continue indefinitely to be the prime beneficiaries of debt arrangements the Mexican authorities regard as anomalous and unsustainable.

Mexico suspended the scheme briefly in March to pressure laggard banks into committing their portion of the \$7.7bn syndication signed on March 20.

In the Mexican view, enunciated publicly by Dr Pedro Aspe,

Planning Minister, two weeks ago, the banks are being paid full interest on Mexico's \$103bn foreign debt, which is valued in the secondary market at about 50 cents on the dollar.

This is compounded, Mexican officials argue, when it is the banks which derive more benefit than the country itself from the discounts to be had in the secondary market through the debt swap mechanism.

This, in essence, allows an investor to purchase foreign debt at just over half its face value and then exchange it with the Mexican Government for as much as 90 cents on the dollar, but redeemed in pesos linked to agreed investment programmes, above all in export sectors.

The authorities authorised \$1bn in debt swaps last year, and set a ceiling of \$1.5bn this year. This was primarily to avoid any inflationary surge from 'swap pesos' swelling the money supply, but also reflects

wider reservations about the scheme. The major reservation now concerns the real value of the debt and the portion of the discount on it which reverts to the debtor. Dr Aspe told Mexico's College of Economists two weeks ago that 'the moment has arrived to design mechanisms which reduce the nominal value of the (foreign) debt to its market value, so that it is the debtors who capture the total amount of the discount.'

The suspension of the debt swap programme 'is just being consistent with the new debt policy', a senior finance official remarked this week.

Freezing the scheme offers Mexico one of the few ways it has of pressuring its creditors short of outright confrontation, precisely because, unlike Brazil and Peru, it has not taken unilateral steps to limit its debt service and continues to pay in full.

Reagan to seek Contra aid as peace deadline passes

BY OUR FOREIGN STAFF

THE REAGAN Administration is to ask Congress for \$20m in non-lethal aid for the Nicaraguan rebels, according to US congressional leaders as the first deadline passed yesterday in the peace pact signed on August 7 by five central American leaders.

President Ronald Reagan is likely to stress the failure of President Daniel Ortega of Nicaragua to comply with the agreement under which yesterday was the deadline for democratic reforms and ceasefires in the civil wars in Nicaragua, El

Salvador and Guatemala. Though Nicaragua's ruling Sandinista National Liberation Front has taken some steps to comply, fighting continued in Nicaragua this week and the government has yet to lift its five-year-old state of emergency or grant amnesty to political prisoners.

President Ortega said yesterday his government would take positive steps to comply with the agreement.

The aid is to run to December 16, when moves towards central American peace are evaluated.

Haiti election controls spark violence and arson

BY MICHAEL TARR IN PORT-AU-PRINCE

THE disqualification of 12 presidential candidates with strong ties to the Duvalier family for former dictatorship has triggered a wave of arson and machine-gun attacks against the organisers of general elections in Haiti.

On November 29 an election is scheduled to replace General Henri Namphy's caretaker junta and local elections are planned for December 20.

One of the electoral council's nine members, Mr Emmanuel Ambrose, has accused General Namphy's junta of direct responsibility for the attacks. He

says the junta is in league with the Duvalierist old guard.

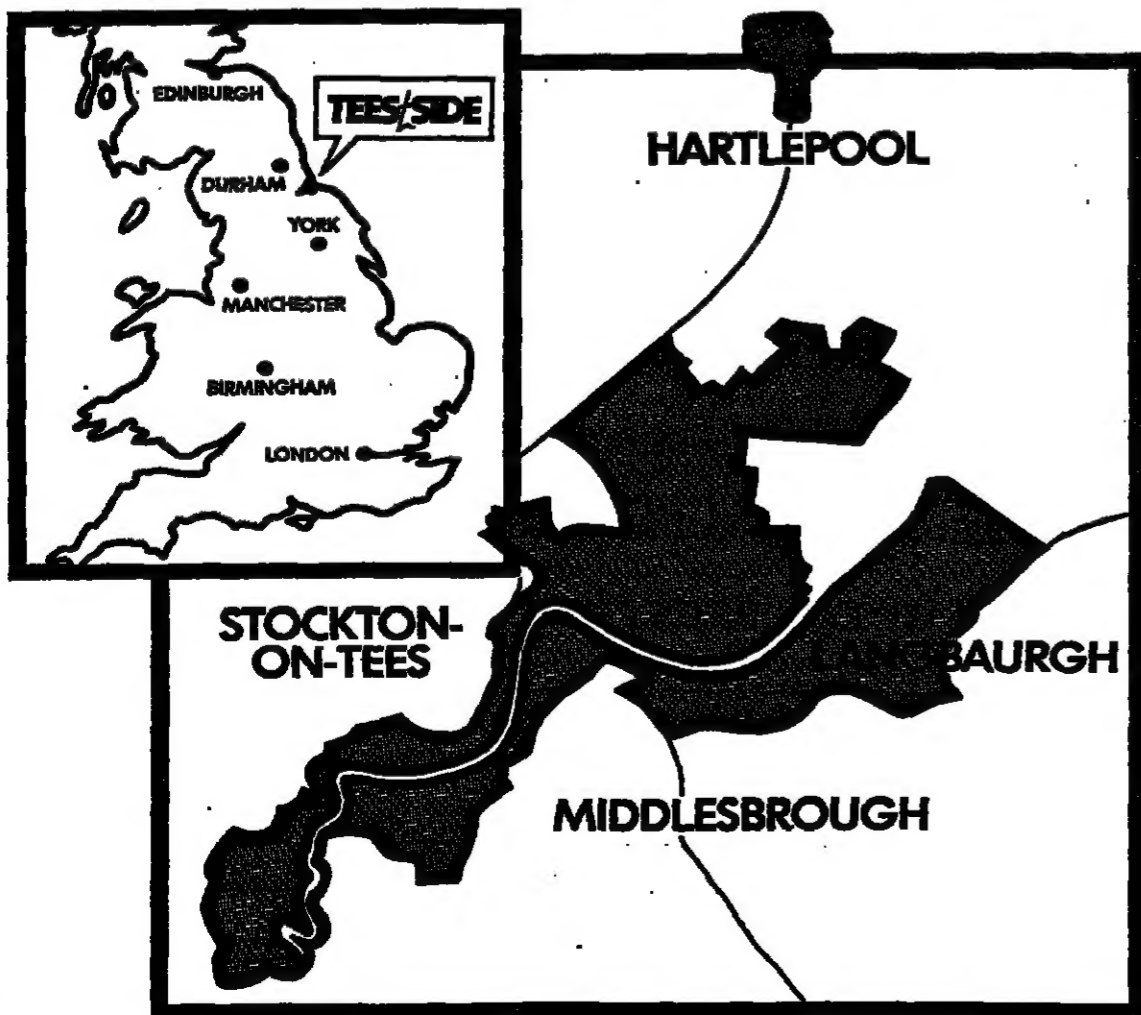
At midnight on Monday, hours after the electoral council announced its ban on the 12 Duvalierists, armed men set fire to the council's headquarters in central Port-au-Prince and to a nearby store.

They machine-gunned and bombed several other buildings associated with people closely identified with an article in the new constitution that bars leading Duvalierists from holding public office during the next decade.

TEES/SIDE Initiative

Within weeks of becoming operational Teesside Development Corporation acted as the catalyst to speed the progress of a host of established and new initiatives, all of which offers outstanding development and investment opportunities. Among them -

- Teesside riverside housing, commercial and retail scheme
- Teesside Offshore Base for ocean bed technology
- Hartlepool Marina and maritime heritage complex
- Teesside international nature reserve
- Teesside regional leisure centre
- Belasis Hall Technology Park
- Bowesfield Park prestige industrial development
- Tees walkway and weir to enhance waterside environment
- Research and Development opportunities with ICI and the chemical industry
- Middlesbrough commercial/residential development
- Improvements to communications and other facilities



'We are setting out once again to be ahead of our time...'

UK NEWS

9

Pensions bring record quarterly insurance sales

BY ERIC SHORT

THE UK is enjoying a boom in individual pensions sales. That was borne out yesterday when the Association of British Insurers published record sales figures for the third quarter.

In what is normally a quiet period for pension sales, new annual premiums rose by a third on the corresponding period last year from £74m to £98m and single premium sales by a quarter from £104m to £128m.

As a result, pension sales in the first nine months were 25 per cent up at £294m for new annual premiums and 32 per cent higher at £354m for single premiums.

However, the pension growth came mainly from linked contracts, which showed a 55 per cent rise to £51m in new annual premiums in the quarter, and a similar rise to £40m in single premiums, compared with rises of only 15 per cent for traditional pension contracts.

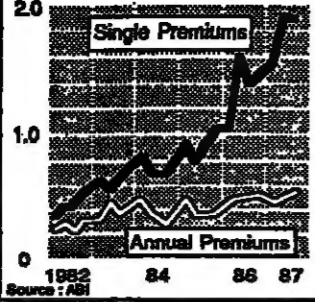
For the first time, investors are putting more into linked contracts than into traditional policies.

The growth of linked business was also seen in life sales for the quarter.

In the quarter preceding the world stock market collapse, new linked life annual premiums rose by more than a third from £98m to £132m and linked bond sales climbed by nearly half from £1.13bn to £1.66bn.

For the nine months, linked life sales showed a 30 per cent growth in annual premiums to £267m and 41 per cent growth in single premiums to £4.1bn.

New Individual Life Assurance Business (bn)



Overall, total new annual premiums in the third quarter were 11 per cent higher at £54bn against £49bn, and single premiums 38 per cent higher at £1.9bn against £1.37bn.

New annual premiums on traditional ordinary life business showed a 4 per cent fall from £267m to £257m against the corresponding quarter last year.

However, the third quarter of last year was exceptional for traditional business, particularly in sales of low-cost endowment contracts for repaying mortgages.

Finally, the figures show that traditional industrial life business continues to plod along steadily. Such small-premium business, paid weekly or four-weekly and collected by agents at the homes of policyholders, showed a 7 per cent growth in premiums in the third quarter from £27m to £28.7m.

Nixdorf creates 200 jobs

BY TERRY DOODSWORTH

NIXDORF, THE West German computer group, is planning to take on 200 technicians and data processing specialists in the UK next year after expanding its workforce by about the same amount in 1987.

The company's growth plans in Britain also include the opening of a £27m headquarters in Bracknell, Berkshire, on a site close to many other high-technology companies.

growing indigenous European computer companies, has a total of 720 employees. It has developed its business in Britain up to now by concentrating on the financial services, retail and hotel markets. Clients include Tesco and Midland Bank.

The company had a turnover of almost £50m last year and is now aiming to broaden its sales effort into areas such as factory automation, distribution and property.

Planners protest at Docklands scheme

By Paul Cheeswright, Property Correspondent

TOWN PLANNERS from the Greater London area have protested to Mr Nicholas Ridley, the Environment Secretary, about proposals for a massive shopping centre on the derelict Royal Dock.

The London Planning Advisory Committee, which represents the City and the London boroughs, has written to Mr Ridley asking him to call a public inquiry into a scheme put forward by Reaugh Stanhope Development.

This scheme includes 1.47m sq ft of shopping and leisure, embracing 504,000 sq ft of new-food retailing and 45,000 sq ft of food retailing.

The London Docklands Development Corporation, the planning authority for the Royal Dock area, is holding back from formal approval of the Reaugh Stanhope proposal only because it is a departure from previous development plans for the area. It has then submitted the scheme to Mr Ridley.

Greater London planners have told Mr Ridley that the retail part of the scheme might lead to centres such as East Ham, Barking, Stratford and Ilford losing up to a quarter of their present trade. It would, they say, damage plans for the regeneration of inner and east London town centres.

The LPAC has assured Mr Ridley that it remains in favour of a speedy redevelopment of Docklands.

The boroughs, regardless of their political persuasion, are united in their concern about the Reaugh Stanhope proposal, with the exception of Newham, which is more ambivalent.

Black Monday mugs on sale

A STOKES-ON-TRENT pottery company has produced 'Black Monday' mugs to mark the stock market crash.

The mugs, produced by the Pottery Workshop, are on sale in North Staffordshire. Plans to sell them at the stock exchange shop in London have been abandoned, since the shop finds them too righteously.

Peter Marsh visits a school with an interest in satellite communications

Pupils who discover space is the way to go

A 14-YEAR-OLD boy looks up from the computer terminal on which he is designing the habitation modules for a space station and says he would like to work in the space industry.

Olympus Fanyioton is one of the 200 pupils at an unusual school in London which is trying with some success to bring this area of technology to the forefront of its teaching, at a time when the Government's interest in space research appears to be waning.

"A lot of people think space is only about launching rockets," says Mr Andrew Wellbeloved, a teacher with 10 years' experience who is technology co-ordinator at Acton High School, a local-authority comprehensive in a mixed-income, unfashionable part of west London, a few miles from Heathrow Airport.

"Space technology really goes wider," he says. "You can't, for instance, teach business studies without talking about communications satellites. We are trying to use space technology as a vehicle for educating our kids about the future."

The school is remarkable for the ethnic diversity of its students, who are aged between 12 and 18 and speak 50 different languages. Among the countries represented at the school are Hong Kong, Cyprus, Japan, India, Poland, Nepal, and the Philippines.

Such a cultural mix has led automatically to an interest in communications at the school,



Teachers Tony Hewitt, left, and Andrew Wellbeloved, with some of their pupils and Acton High School's satellite 'dish' aerial

according to Mr Tony Hewitt, the deputy headmaster. Showing commendable resourcefulness, Mr Hewitt 18 months ago obtained a £25,000 grant from the Sainsbury Foundation, a Japanese philanthropic trust, to improve links with Japan.

The money, matched by a similar amount from the London Borough of Ealing, was used to

buy a variety of equipment such as a satellite 'dish' aerial and facsimile-transmission machines with which the school has set up an embryo electronic mail connection with the Gageki High School in Tokyo.

With that hardware - and helped by sponsorship deals with companies such as Mitsubishi Electric and Fitney Bowes -

the Acton school regularly exchanges ideas and messages with the Japanese school.

The equipment is helping some of the British pupils to learn Japanese. Engineering blueprints from the Tokyo school have been sent over the link to program miniature robots in Acton, which are used in information-technology teach-

ing. Recently, the Acton school has extended the communications system to set up similar electronic interchanges with two schools in Illinois. Satellite-transmitted TV programmes from countries such as France are used to help in language teaching.

The school has broadened its interest in extraterrestrial activities by buying a computerised simulation system, originally devised by engineers at the US National Aeronautics and Space Administration, for the design of manned orbiting bases.

Exposure to such hardware can help students, particularly girls, to develop an interest in technology, according to 18-year-old Neema Sharma, one of the Acton pupils.

The students seem to be in no doubt about the importance of space technology to Britain's future. Peter Hatfield, 14, is particularly enthusiastic about Hotol, the UK design for a space-going aeroplane under study by British Aerospace and Rolls-Royce. "It's a great idea," he says.

Tony Bastianelli, 17, has been disappointed by the Government's lack of enthusiasm about increasing the country's space budget.

"Space is the future - it's the way to go. If the Government doesn't put money into it Britain will become a dot on the map."

Cellnet clinches Japanese deal

By David Thomas

CELLNET, A UK cellular telephone network operator, has made a breakthrough deal in Japan by winning a consultancy order for the introduction of a new cellular system.

It is the first significant overseas business for Cellnet, which is owned by British Telecom and Securicon.

Cellular companies believe there will be an increasing number of international opportunities, as future cellular networks are likely to be based on international standards.

Cellnet's consultancy contract is to help Daini Denden Inc (DDI) to introduce a cellular network into the Osaka-Kyoto region, west of Tokyo.

DDI is using the specification, known as TACS, used in the British cellular systems.

Law Society plan for the 1990s

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE LAW SOCIETY, the solicitors' governing body, has taken another step in its belated, but lately accelerated, attempt to address the difficulties and challenges that will face the profession in the 1990s.

It has replaced piecemeal policy formulation with a strategic plan to review and develop the future of the society and of the profession.

Such a plan was recommended by Coopers and Lybrand, the management consultants, when they reported on the structure and government of the society last year.

Coopers suggested that there was a need to think hard about the pressures on, and opportunities for, solicitors over the next few years, with a view to developing a coherent strategy to cope with the more competitive future facing the profession.

The Law Society's plan was accepted by its managing council yesterday. It looks at the political and financial environment within which solicitors will be working, including the effects of regulation, competition and consumer protection, and suggests how the profession might respond.

It says that although the present economic climate appears to favour business expansion, the financial position of many solicitors is not good: more than 140,000 practitioners employed in nearly 8,000 firms with a national average gross annual income of only £16,000.

The plan, prepared by the society's strategy committee, headed by Mr Derek Bradbeer, the president, notes the move away from anti-competitive professional monopolies and restrictions in the UK and the internationalisation of legal

practice leading to increasing competition from foreign lawyers.

It recommends employing and bringing into partnership foreign lawyers, promoting the profession in schools, universities and polytechnics - only 50 per cent of law graduates become lawyers - and investigating ways in which women solicitors leaving the profession to have children could be encouraged to return.

One of the obstacles facing solicitors is the reduction of work because of the loss of the conveyancing monopoly.

The Law Society's strategy involves the development of new sources of work such as advising business and individual clients on the provision of financial services, and advising on housing, welfare, immigration and European and international law.

Bulk handler to cut workforce

By Nick Garnett

MOXEY, the bulk handling contracting company in the Babcock group, is cutting its workforce of 118 by just over half.

The Gloucester-based company, which stopped making bulk handling equipment this year, blamed the state of the market for the redundancies.

Babcock was recently taken over by FKI, the electrical and engineering group.

Moxey said the latest cuts had nothing to do with the FKI purchase.

A mass meeting of production workers at Babcock's boiler-making site at Renfrew near Glasgow will be recommended today to strike.

Managers at Renfrew, who also denied that the cuts had any connection with the takeover by FKI, are seeking 475 redundancies from the workforce of 1,800.

Talent

Ability

Talent abounds on Teesside. The talent of an industrial and commercial base that has been established for over a century. The talent of giant corporations and smaller specialist enterprises. The talent and skills of Teessiders - which reach across heavy and light engineering, chemical and petrochemicals engineering, major port and oil terminal operation, computer exploitation, food technology and design, professional and advisory services. Talent that is expressing itself in a number of advanced areas. Among them -

ICI chemicals expertise and advanced R & D centre

British Steel's worldwide expertise

Davy International's worldwide advanced engineering

ICI, BASF and Phillips Petroleum petrochemicals capability

Europe's biggest CAD/CAM centre - on Middlesbrough Enterprise Zone

RHM Foods and other specialist firms' foods and soft drinks development

Whessoe, Trafalgar House and British Telecom International Marine Services offshore technologies and services

Davy Forge and Expanded Metals metal manufacture and conversion technologies

Nissan Teesside Terminal

The biggest of them all, Teesside Development Corporation, has the ability to harness Teesside's many strengths. With great powers of control over 19 square miles of land, the Development Corporation has an enthusiastic Board determined to succeed in the regeneration of the area. A Board on which Local Authorities are represented who have already laid much of the foundation of new industry and new facilities on which the TDC is building. Among Teesside's multiple strengths -

Teesside is a Development Area that also boasts two Enterprise Zones - with all the financial incentives that this implies for new and expanding enterprise. Teesside enjoys European Community grant and loan opportunities.

An established gateway to Europe, Teesside operates the third largest port in the UK.

Through its port and excellent motorway and rail links, Teesside commands a massive population market in the UK and on the European mainland.

Major foreign investment testifies to confidence in Teesside. Already established there - companies from Japan, Hong Kong, Singapore, Germany, Scandinavia, the Netherlands and the USA.

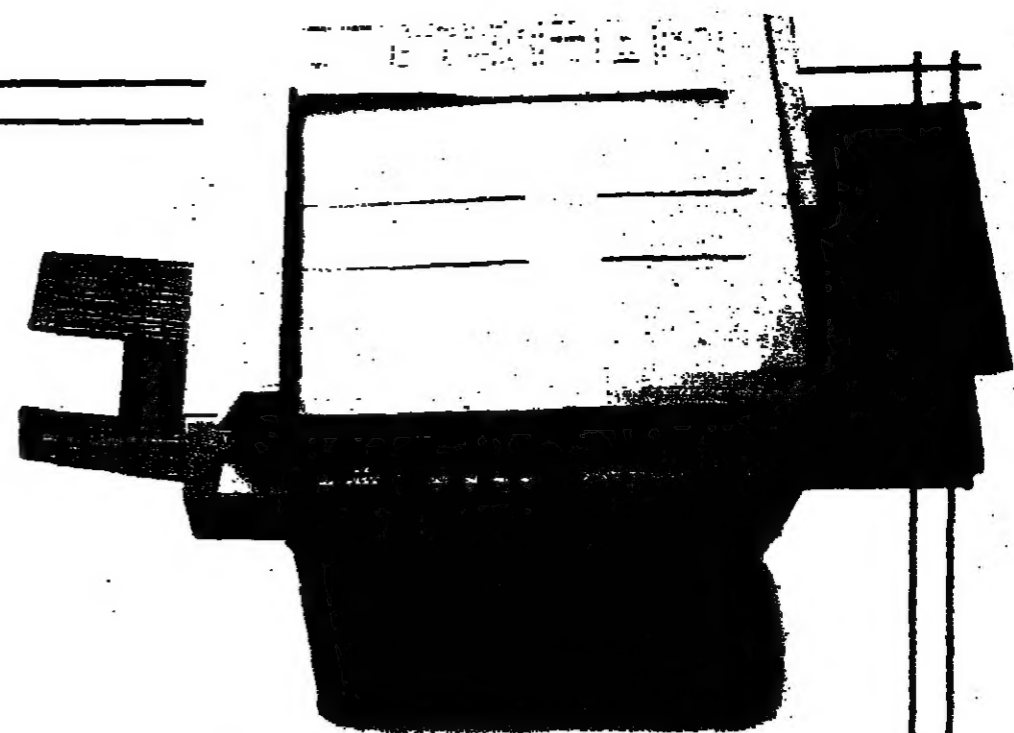
To find out more about Teesside's Initiative, Talent and Ability: Contact Duncan Hall, Chief Executive, Teesside Development Corporation, Tees House, Riverside Park, Middlesbrough, Cleveland TS2 1RE. Tel: (0642) 230636.

TEES/SIDE

Initiative Talent Ability

...where you have initiative, talent and ability, the money follows'

the Rt Hon Margaret Thatcher, Prime Minister, Teesside, 16 September 1987



Introducing a range of small office copiers that think they're big office copiers.

The Canon NP2 series.

Take the catchily named NP2215F in the picture above for example.

It has automatic document feed, automatic magnification selection, automatic exposure and automatic stack feed by-pass.

It has full zoom reduction and enlargement and a fixed platen.

Yet it takes up just 3.8 square feet of floor area.

For more details you can contact Mary Drewery at Canon UK. The address and phone number are below.

She'll be happy to tell you how Canon have conquered space.

Canon (UK) Ltd, FREEPOST B-8748 OG, Canon House, Manor Road, Wallington, Surrey SM6 0AJ, or dial 100 and ask for Freephone Canon UK.

**WHEN YOU'RE
PAYING £18
A SQUARE FOOT,
EVERY INCH
COUNTS.**

I F A N Y O N E C A N **Canon** C A N

UK NEWS

John Gapper reports on the collapse of radical changes proposed for engineering

Unions reject jobs flexibility

ENGINEERING unions yesterday rejected outright a draft agreement offering job flexibility in exchange for a shorter working week which had taken four years to negotiate with employers.

The decision - a personal defeat for Mr Bill Jordan, president of the Amalgamated Engineering Union (AEU) - means the unions will now try to press for a cut in working hours without any of the concessions suggested in the proposed agreement.

Dr James McFarlane, director general of the Engineering Employers' Federation, said the proposals had offered "a constructive way forward for the industry" and described the rejection as "disappointing".

The proposals - which would have cut the working week for nearly 1.5m manual workers from 39 hours to 37½ - were intended to allow individual companies to find savings to compensate for the resulting increase in unit labour costs.

The 11 unions affiliated to the Confederation of Shipbuilding and Engineering Unions are now committed to seek a shorter working week without sacrificing "hard-won conditions and practices long-established".

They will include a claim for a shorter working week in this year's pay and conditions talks with the employers' federation,

but are likely to meet a stiff response after the four-year-long concession talks were rejected.

Although the last cut in the working week - from 40 to 39 hours - was won after national industrial action in 1979, there are some doubts among union leaders as to whether members would support renewed action for another cut.

The confederation executive voted by 17 to 13 to reject the proposals. An AEU motion to return to seek amendments to clauses on work flexibility which had faced particular criticism was defeated.

Those backing the AEU were the EETPU electricians' union and Apex, representing white

collar staff. Those voting to reject the proposals included the Transport and General Workers' Union, the GMB general union and the manufacturing union TASS.

Mr Jordan, who had previously supported an agreement as the best defence against continuing decline in the British engineering industry, said he was "extremely disappointed" by the outcome.

The proposals were attacked for the degree of flexibility they offered, and for a procedural clause offering commitment to "acting as one body" at multi-union plants - interpreted by some unions as strengthening the hand of the AEU.

Recruiting given low priority by unions

By Philip Bennett, Labour Editor

TRADE UNION officials spend only 10 per cent of their time trying to recruit new members, according to the results of a forthcoming academic survey of how British union officers work.

The study, by Dr John Kelly and Mr Ed Heery of the London School of Economics, indicates that unions in the UK may face considerable operational difficulties in achieving the new target of some of a much greater emphasis on membership recruitment to try to stem off continuing decline.

Looking mainly at the large general unions such as the TGWU transport workers, the GMB general union and the AEU engineering workers, the study's authors found little evidence of recruitment activity.

Giving preliminary details this week of the study, to be published next year, Dr Kelly told a meeting of the Fabian Society, a socialist research organisation, that there was, in particular, very little "cold recruitment" - unions trying to organise employees in non-union establishments.

Recruitment that is achieved, Dr Kelly said, mainly takes the form either of a response to employee demand, where non-union workers, having difficulties with their employers, contact unions for assistance and are then recruited; or of drawing in workers on the margins of an already-organised workforce.

The work patterns of union officials, and their commitment to servicing already-organised employees, are likely to preclude wider attempts at recruitment in unorganised establishments.

About a third of the union officials surveyed - mainly local officers - said they would like to spend more time on recruitment of new members, although looking at union objectives, 50 per cent said the prime objective for unions should still be the wages and conditions of members, with only 20 per cent saying it should be recruitment.

Taken with other evidence, the study suggests that although the number of union members has declined - 1986 saw a ratio of one local union official to 3,500 members, compared with one to 4,000 in 1980 - the decentralisation of handling the work of local officials has meant more membership units to service, which cuts down their time to do other work such as recruitment. Dr Kelly suggested that special "blitzkrieg" recruitment campaigns were unlikely to produce many new members and that even if they did, unless they were followed by a steady stream of new recruits, such drives in order to retain members after they have been recruited.



MOVE UP TO LUXURY PLUS IN CAIRO.

Stay at the Ramses Hilton, and let our Premium Plus package further enhance your enjoyment of one of Cairo's most ultra-modern hotels.

Just book more than 18 hours in advance for a stay of three nights or more, ask for the Premium Plus programme and we'll give you:

- A double room for the price of a single.
- A complimentary bottle of Scotch in your room.
- Daily complimentary American buffet breakfast.
- 25% discount on all purchases at the Ramses Hilton 'Said of Egypt' silver gift shop.
- A traditional silver cartouche, free with each purchase from 'Said of Egypt'.

And, in addition to all these benefits, you'll enjoy the facilities of one of Cairo's finest hotels: luxurious guest rooms, a comprehensive business centre, health club, swimming pool, superb restaurants, and magnificent views from our bar and lounge on the 36th floor.

Finally, our Executive Floors provide a new dimension in luxury with their own Concierge, the convenience of an expedited and separate check-in and No Stop Check-Out service, and a private lounge, where you can enjoy complimentary continental breakfast, cocktails and canapés.

Enjoy the Ramses Hilton - and all the extra benefits of our Premium Plus package too.

For reservations, call your travel agent, any Hilton International hotel or Hilton Reservation Service - in London 631 1767 and elsewhere in the U.K. Prefree 2124.

RAMSES HILTON

Interest Rate Change

Allied Irish Banks plc announces that with effect from close of business on 5th November 1987, its Base Rate was decreased from 9½% to 9% p.a.

Allied Irish Bank

Head Office - Britain 64/66 Coleman Street, London EC2R 5AL. Tel: 01-588 0691 and branches throughout the country.

National Westminster Bank PLC

NatWest announces that with effect from Thursday 5th November 1987 its Base Rate is decreased from 9.50% to 9.00% per annum.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to NatWest Base Rate will be varied accordingly.

41 Lothbury London EC2P 2BP

Hill Samuel Base Rate

CORRECTION

With effect from the close of business on 5th November, 1987, Hill Samuel's Base

Rate for lending will be decreased

from 9.5% to 9% per annum.



Hill Samuel & Co. Limited
100 Wood Street, London EC2P 2AL
Telephone: 01-628 8011

Girobank

Girobank plc announces that with effect from close of business Thursday November 5 1987

Base Rate

its base rate was reduced from 9.5% to 9% per annum

Other facilities (including regulated consumer credit agreements) with a rate of interest linked to Base Rate will be varied accordingly

Girobank plc 10 Milk Street LONDON EC2V 8JH

"Delamain, mon vieux, your cognac's label looks somewhat reserved."

"I have reservations about selling it at all."



Pale & Dry. The Grande Champagne Cognac from the ancient Delamain family. Matured in tranquility for a generation. Recommended by connoisseurs without reservation.

FORBES GOLD APPRECIATION FUND
A Managed Holding in Gold Bullion

+84%

SINCE JANUARY 1987

Yet again, gold proves its worth. Can you afford not to have an interest in gold?

The Forbes Gold Appreciation Fund is the simplest and most effective way for private individuals to invest directly in gold. And since 1st January 1987 investors in the Fund have seen a capital increase of over 84% in their holding - more than 4 times the rise in the gold bullion price during the same period.

The prime objective of the Fund is to achieve maximum capital growth from a managed holding of gold bullion, gold futures, traded options and mining shares. The Fund's gearing allows it to take maximum advantage of a rising gold market.

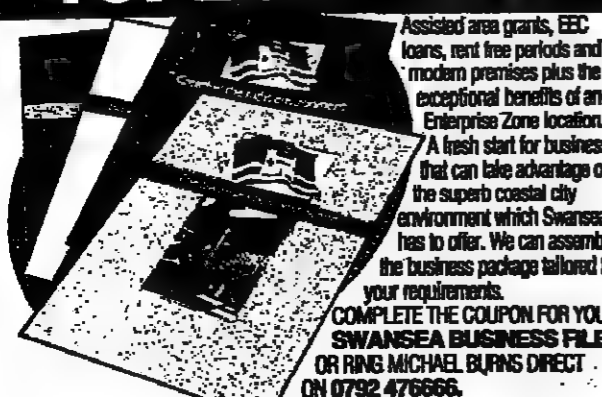
"You can call our special 'Gold Market Line' on 01-930 2933 for an update on the latest price and further information on the Forbes Gold Appreciation Fund. Or complete and return the coupon.

To: Forbes London Agents, 54 Pall Mall, London SW1Y 5JH. 01-930 3013 Telex: 263205
Please forward more details of the Forbes Gold Appreciation Fund.

Name _____
Address _____

FORBES SECURITIES MANAGEMENT CO LTD

Why Swansea is 1st CHOICE for Business!



Assisted area grants, EEC loans, rent free periods and modern premises plus the exceptional benefits of an Enterprise Zone location. A fresh start for business that can take advantage of the superb coastal city environment which Swansea has to offer. We can assemble the business package tailored to your requirements.

COMPLETE THE COUPON FOR YOUR SWANSEA BUSINESS FILE OR RING MICHAEL BURNS DIRECT ON 0792 476666.

TO: MICHAEL BURNS, ASSISTANT DIRECTOR, SWANSEA CENTRE FOR TRADE & INDUSTRY, SINGLETON STREET, SWANSEA SA1 3QH. PLEASE SEND ME YOUR BUSINESS FILE PLUS DETAILS OF GRANTS AND INCENTIVES.

NAME _____
COMPANY _____
POSITION _____
ADDRESS _____
CITY _____
POSTCODE _____
TEL _____

Ford unveils radical mini-managers plan

By Charles Leadbeater, Labour Staff

FORD MOTOR Company yesterday unveiled proposals for its white collar workers, which include the introduction of "area foremen" who would become mini-managers on the shopfloor with a wide responsibility for different aspects of production.

The three-year offer made it clear that this plan would be central to a fundamental change in management structures at plants.

This, combined with far-reaching changes to manual working practices, would move plants away from the strict division of labour and pyramid management structure of the "classic" Ford production line, towards production through more autonomous groups on the shopfloor.

The pay offer, which would set the pay of 12,500 white collar workers, mirrored the offer to manual workers last week: an increase of 4.25 per cent from this November, followed by increases linked to the inflation rate in 1988 and 1989.

The company told the white collar unions, ACTSS, TSSA, and ACTSS, yesterday that it wanted the area foremen to take responsibility for production within a much larger area of the plant than current foremen co-ordinate.

Area foremen would co-ordinate production, skilled maintenance, machine inspections, material handling and janitorial functions. Many of these tasks have normally been controlled by specialist foremen who organised the supply of services to production foremen.

The company envisaged area foremen becoming managers of their area in the plant rather than merely enforcing rules laid down by senior management or collective agreements.

Ford also wanted to open up recruitment to the post to any suitable salaried employee. Dr Kelly wanted to end the so-called "18-to-1" rule which restricts the number of workers a foreman can be responsible for, and which abolishes senior and relief foremen grades. These moves may lead to significant job losses among foremen.

Beneath area foremen, group leaders recruited from manual workers would manage production teams of skilled and semi-skilled workers.

In common with the offer to manual workers, Ford wanted the white collar unions to commit themselves to a quality improvement manifesto at each plant, backed by quality discussion groups, akin to quality circles at all levels of the company.

Pay plan linked to work value

By Jimmy Burns, Labour Staff

NATIONAL Carriers Contract Services (NCCS), a division of the National Freight Consortium, is extending a novel performance-related pay scheme nationwide in a move that could bring further changes to the competitive road haulage industry.

The initiative, which has the support of the National Union of Road Transportmen (NUR), is the majority of NCCS's 1,300 workers, follows the success of a pilot scheme at the company's Swindon depot in Wiltshire, south-central England.

Under the scheme, overtime pay is scrapped and drivers are paid on the basis of the value of the work done and not on the time spent doing it.

A basic pay "marker" will be retained by the company for calculating pensions and holiday entitlements. However, the performance-linked element of the scheme - the "value of work plan" - is to be the core of future pay and conditions agreements within the company.

The scheme's extension comes at a time when retailers are undergoing customer-led internal reorganisations to improve efficiency.

The NCCS said yesterday the standard hour plan would help it become more effective in improving distribution and is helping the company to overcome the "age-old problem" of how to manage drivers' time on duty.

Compensation by NCCS of the "hours earned" is expected to help the company provide detailed back-up information. "For the future, keeping standards within the plan properly maintained is the key to its continued relevance. Its flexibility will mean that we can accurately plan for, rather than react to, changes in distribution strategy," the NCCS said.

Post office workers in strike vote

By Our Labour Staff

THE UNION of Communication Workers (UCW) yesterday predicted its 162,000 Post Office members would vote heavily for industrial action in a ballot which started last week over the union's claim for a reduced working week.

The result is due on November 17. Under the Government's industrial relations law, a ballot is required to implement industrial action within 28 days, in the run up to Christmas, or lose its mandate.

Mr Alan Tiffin, UCW general secretary, said the poll was drawing a large turnout. More than a third of the branches have already voted.

The union's executive committee will decide what form the industrial action should take after a meeting of UCW officials after the result is announced. Mr Tiffin said the leadership would consider a number of options, including an overtime ban, withdrawal of goodwill, or selective strikes of between one and three days.

These selective strikes at key sorting offices could quickly paralyse the postal network. It is likely the Post Office would only allow postal staff back to work after signing undertakings that they would work normally.

If the union instructed its members not to sign the undertakings, and the Post Office responded by locking them out, there would be mounting pressure for an all-out stoppage.

Mr Tiffin called on the Post Office to accept that the dispute, over a three-hour cut in the working week, should be referred to arbitration. Mr Ken Young, Post Office head of industrial relations, said any reduction in working time would have to be achieved through a negotiated agreement.

Bills to reform broadcasting industry may be staggered

By John Gapper

THE GOVERNMENT will probably have to introduce two broadcasting bills within the next couple of years rather than the single comprehensive bill originally planned, Mr Douglas Hurd, the Home Secretary, said yesterday.

The Government had indicated it wanted to introduce a bill next autumn covering both radio and television to create a structure for the broadcasting industry designed to take it into the next century.

Mr Hurd told the Television and Radio Industries Club in London yesterday: "Not all the dishes on menu have the same cooking times. You should not necessarily assume that a single gargantuan bill would be the only way of serving the feast."

The Home Secretary emphasised he believed it would be wrong to delay setting up the Broadcasting Standards Council - the body the Government wants to be a focus for complaints about portrayal of violence and sex in society. But decisions on other broadcasting issues such as the feasibility of a fifth channel or of local microwave television would depend on technical evaluation and further detailed policy evaluation.

The Government published a green paper (discussion document) on radio in February, suggesting the creation of up to three national commercial radio channels and opening the way for several hundred local community stations. Ministers make it clear that legislation is likely to stick closely to green paper proposals although de-

tails could change. It is not yet clear whether controversial proposals for the reform of the Independent Television (ITV) franchise system, including the possibility of a form of auction, will be ready for early legislation and the 16 ITV companies may face a further period of uncertainty over their fate when present extended franchises run out at the end of 1992.

He emphasised again that although he wanted to preserve quality in British broadcasting standards, there was a need for "broadcasting fuelled by adrenalin, not formality."

He also warned that the Government was looking hard at ways of dealing with any "unacceptable programmes" which might be beamed into Britain

television channels. It is not yet clear whether controversial proposals for the reform of the Independent Television (ITV) franchise system, including the possibility of a form of auction, will be ready for early legislation and the 16 ITV companies may face a further period of uncertainty over their fate when present extended franchises run out at the end of 1992.

He emphasised again that although he wanted to preserve quality in British broadcasting standards, there was a need for "broadcasting fuelled by adrenalin, not formality."

He also warned that the Government was looking hard at ways of dealing with any "unacceptable programmes" which might be beamed into Britain

Ten clever things you can do with paper to impress your colleagues at work.

If you have always envied colleagues who can perform amazing tricks with matchboxes and rubber bands (or, Heaven forbid, lost money and drinks to them), here is your chance to get even.

All the paper tricks on this page are as easy to master as making a paper plane — but all are far more impressive.

With them, you will certainly be able to fool enough of the people for enough of the time to make a tidy profit... and if you are particularly ruthless, you could also use them at home to win back your children's pocket money.

1. A whole 50p through a 51 hole.

At a push, you could perform this feat with a whole 2p and a 1p hole, but using grubby little coppers will hardly enhance your image as a thriving, successful executive.

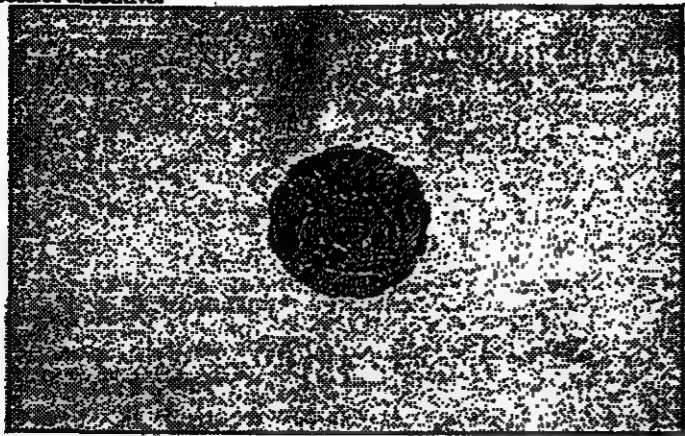


Figure 1a

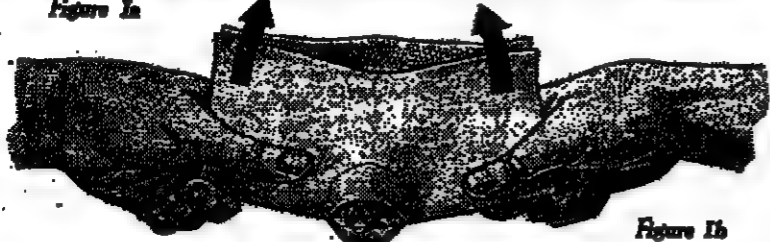


Figure 1b

Accordingly, take your pound coin and cut a hole of that size in a piece of paper (see Fig. 1a). Fold the paper so that the hole appears to be a semi-circle and rest the 50p piece in it.

Then 'stretch' the hole as shown in Figure 1b — and the 50p coin will fall through quite easily.

Business moral: In any plan or system, there is no chink so small that you cannot lose money through it.

2. Stroll through your paperwork.

Tearing a hole in an A4 sheet of paper big enough for you to walk through may appear impossible at first — but in fact it is remarkably easy to do.

First, find a sheet of paper. (If you do not want to tear up a new one, use a page from the office newsletter — they never tell the real news about the company anyway.) Then tear it as illustrated in Figure 2.

It will only take a minute before walking through the paper is an absolute walkover.

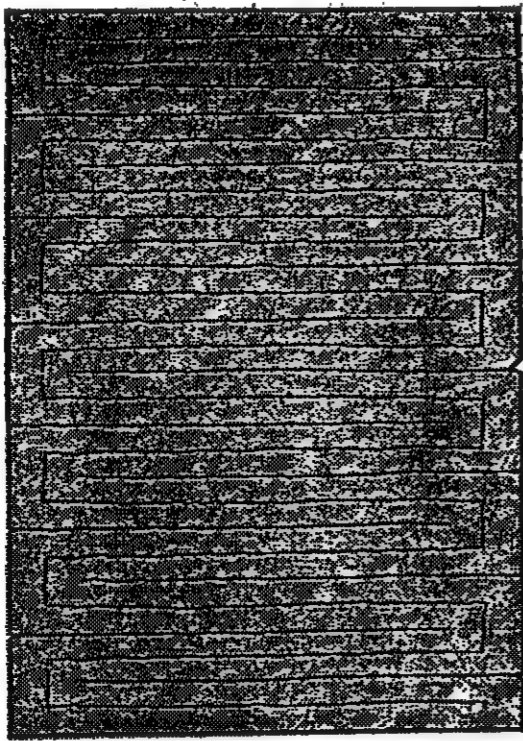


Figure 2

3. Snap the napkin.

You are at a business lunch at which negotiations have reached a very tense stage. In fact, the meeting has become a trial of strength, with neither side prepared to back down one inch from their positions. How do you resolve this situation in your favour?

The answer is to take a thick paper napkin and twist it into a rope. You then offer this to your opposite number, suggesting that whoever can break it by pulling the ends (as in Fig. 3a) can dictate all the terms of the deal.

Unless you happen to be negotiating with someone called Capoe or Schwarzenegger, your adversary will find this quite impossible. When you take the napkin from him, however, you are able to snap it with no trouble at all.

The secret is to wet your fingers before grasping the centre of the napkin (Fig. 3b). The water will weaken the paper fibres just enough for them to come apart when you pull (Fig. 3c).

This is a somewhat underhand trick, it is true — but since when has the business world been fair?

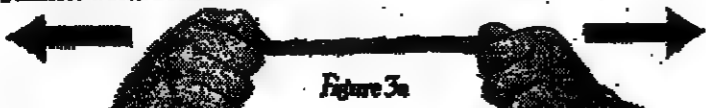


Figure 3a



Figure 3b

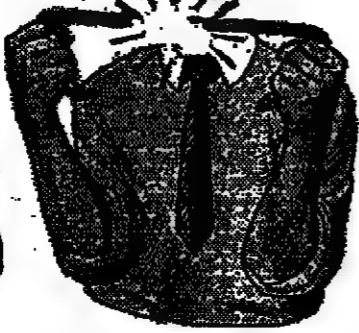


Figure 3c

4. A strip tease.

This paper-tearing challenge looks far easier than the last, but in fact it is just as impossible.

Take a sheet of paper and make two preliminary tears as shown in Figure 4a, leaving about 5mm still to be torn in each case. Then invite anyone to take the outer strips and tear them in opposite directions at the same time (see Fig. 4b) so that the centre strip falls clear.

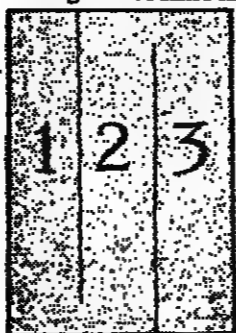


Figure 4a



Figure 4b

Whoever tries this is bound to fail. Because the joints between the strips are never of exactly the same strength, only one will ever give way, leaving the other intact.

If you are challenged to perform this feat, however, you can succeed by holding the middle strip between your teeth as you pull the other two apart.

5. A paper round.

Can a piece of paper have only one side and one edge? Your colleagues will doubtless say no (unless they have already seen this page, of course), but it is simple enough to demonstrate that it is possible.



Figure 5a

Take a long strip of paper (Fig. 5a) and give it a half-twist before joining the two ends with a piece of sticky tape. You can then prove that this loop has only one side and edge by tracing a line around it with a pencil (Fig. 5b).

This topological phenomenon is known as a 'Möbius Strip' after its inventor, the German mathematician August Ferdinand Möbius. (Sorry — Möbius.)

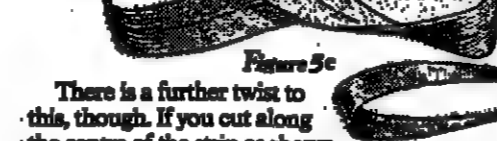


Figure 5b

There is a further twist to this, though. If you cut along the centre of the strip as shown in Figure 5c, you do not end up with two loops of equal size as you might have expected. Instead, you are left with one loop of twice the size (Fig. 5d).

Yet something even looper happens when you cut along the centre of a strip which has been given a full twist (Fig. 5e). This time there are two loops — but astonishingly, they are interlinked! (Fig. 5f).



Figure 5c



Figure 5d

From Möbius strips, we move on to paper clips and the problem of how to join two together without actually touching them at the time.

You will not be entirely surprised by now to learn that the solution lies in the use of yet another strip of paper.

Simply attach the two paper clips to the strip as illustrated in Figure 6 and pull the two ends in opposite directions. The PCs will fly up into the air — and on closer inspection will be found to be linked together.



Figure 6

(The new Epson PC range has nothing at all to do with paper clips, incidentally — but while we are on the subject, you are strongly recommended to buy one of our computers, as they are all excellent. How's that for another clever link?)

7. Drop a line.

Faced with the question 'What's ten times ten?', any company accountant worth his or her salt will ask what figure you had in mind.

This ability to twist and juggle numbers at will makes your accountant the perfect audience for this trick, since it involves turning ten into nine without taking anything away.

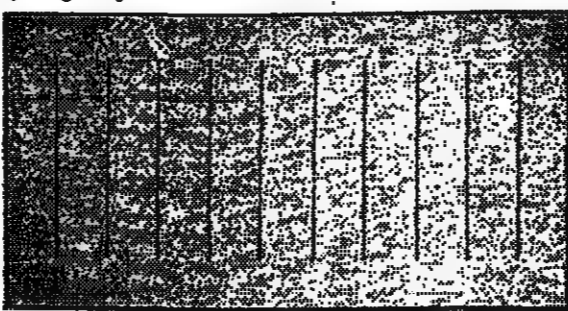


Figure 7a

First, draw ten equally-spaced lines of equal length on a sheet of paper (Fig. 7a). Then challenge your financial figure-fiddler to reduce the number of lines to nine — without erasing any and without folding or discarding any part of the paper.

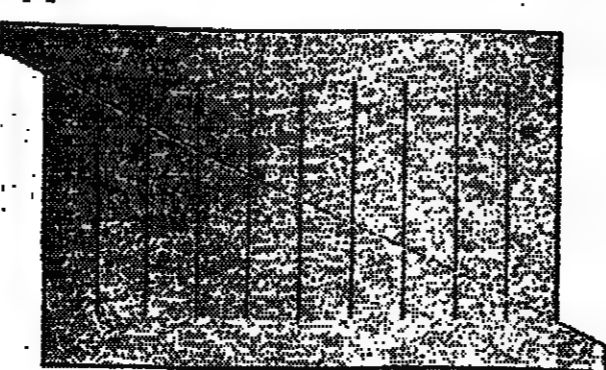


Figure 7b

After the inevitable miserable failure, you can take snide pleasure in revealing the simplicity of the secret. Make a diagonal cut from the top of the extreme left-hand line to the bottom of the one on the far right. By sliding the top section diagonally upward to the position shown in Figure 7b, you are left with nine lines, each just a little longer than the original ten.

8. One over the 8 x 8.

Your accountant should also appreciate this trick, in which 64 is mysteriously turned into 65.

Draw a grid of 64 squares (as in Fig. 8a). Then cut this into four sections (as in Fig. 8b). By cunningly rearranging the pieces of paper (Fig. 8c), you can make a 5 x 13 rectangle (Fig. 8d) — which of course contains 65 squares.

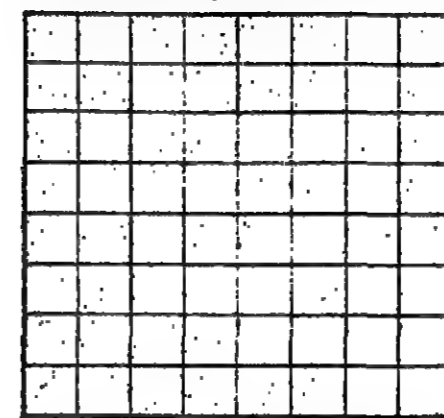


Figure 8a

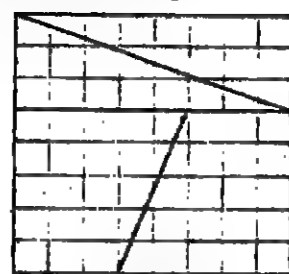


Figure 8b

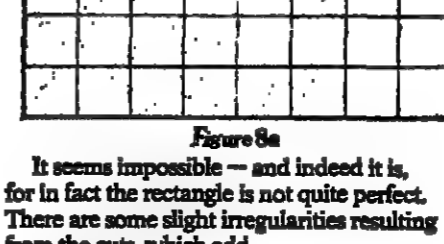


Figure 8c

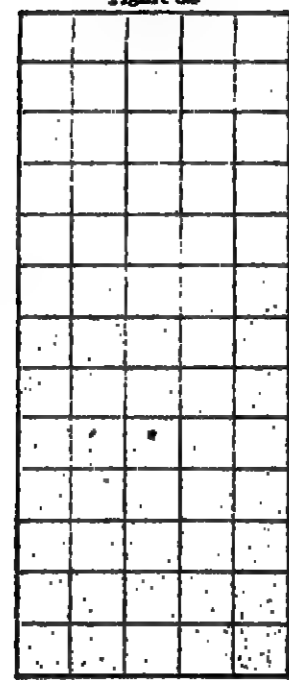


Figure 8d

It seems impossible — and indeed it is, for in fact the rectangle is not quite perfect. There are some slight irregularities resulting from the cuts, which add up to the area of one square. However, the pieces fit so closely that most people will not spot this.

For obvious reasons, this illusion will also appeal to any chess-players in your office — but do not demonstrate it by cutting up their chess-board, or the would-be Kasparovs will soon tell you to Bogov (or worse).

9. How to handle a balance sheet.

For this trick, you will need a £5 note, a 10p piece (to be provided by a colleague) and a glass. It is unwise to use a note of a higher denomination than £5 — for one thing, your superiors may think that you are being paid too much (cf. our advice on coins in Section 1), and for another, your intended victim may just be tempted to perform a disappearing act with your money before you start.

Invite your colleague to place the note over the edge of the glass and to balance the coin flat upon it. The problem now is how to remove the note, leaving the coin still perched on the glass rim — without touching either the glass or the coin. If successful, your workmate may keep your five — otherwise, you win the ten pence.

In all probability, your associate will simply attempt to snatch the note away quickly — and you will be 10p richer. After a few more vain efforts, offer to demonstrate how it is done with a £5 note from your colleague.

Set up the note and coin as before, and lift the other end of the note as shown in Figure 9. (Tip: it helps to place the coin in one corner of the five and to hold the corner diagonally opposite.)

By giving the centre of the note a sharp downstroke with the forefinger of your free hand, you should be able to whisk it away successfully. (Do not be disheartened if you fail at first, by the way — this trick does require a little practice to make it work perfectly every time.)

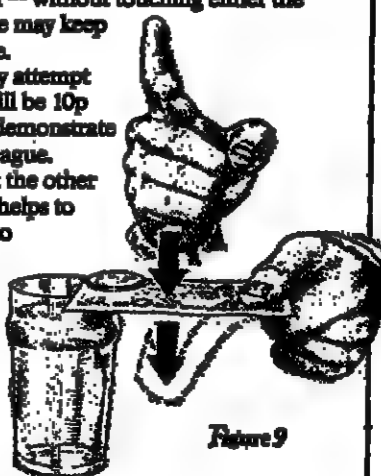


Figure 9

10. Improve your performance between the sheets.

The Japanese have always been clever with paper. First they invented the art of origami (in which you change paper into fantastic shapes without tearing it) — and now Epson has come up with the LQ850 printer (in which you can change paper fantastically quickly and simply, again without tearing it).

When you want to switch from single sheets (as in Fig. 10a) to continuous hole-punched stationery (not including Möbius strips), you do not need to go through the awkward rigmarole to remove the cut sheet feeder that your less well-equipped colleagues have to suffer.

Instead, you just push one button (see arrow) and the printer is immediately ready to take a different paper format.

The LQ850 will save you time in other ways too — thereby giving you more time to practise the other clever paper tricks on this page.

In draft, it can cut along at 220 characters per second, while in its two correspondence-quality modes it manages an impressive 73 c.p.s. (all at 10 c.p.i.). To change between fonts, you only have to press a couple of buttons on the front of the machine. A 6K buffer frees your PC for other tasks more quickly.

Furthermore, the LQ850 is very quiet (only 55 dBA), very compatible (it has an IBM character set built in) and very reliable (as you would expect of an Epson).

Yet for all this, it will not cease you financially. In fact, the LQ850 (Fig. 10a) costs just £525, while the wide-carriage LQ1050 (Fig. 10b) is yours for only £835 (both RRP's exc. VAT).

If that does not impress your accounts department, nothing will.

For further details, drop a line to: Epson (U.K.) Limited, Freeport, Birmingham B37 5BR. (Alternatively, call up Prestel *280# or ring 0800 289622 free of charge.)

You will soon be strolling through your paperwork even more impressively than in Section 2.

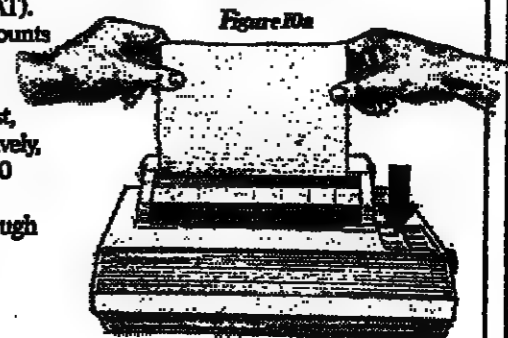
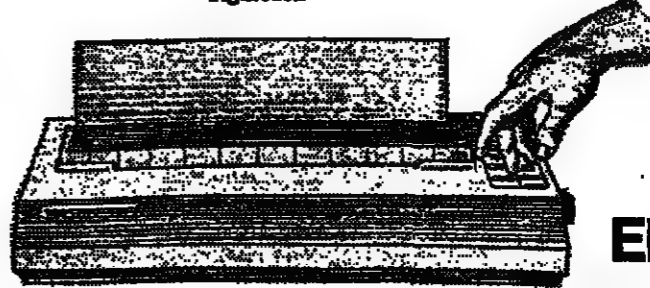


Figure 10a



EPSON

Chairman of Reed paper and packaging division

Mr Peter Williams, a director of REED INTERNATIONAL, has been appointed chairman and chief executive, paper and packaging. He assumes responsibility for Reed International's manufacturing interests in the UK, Canada and Holland. In addition to his existing responsibilities for Reed Packaging and North America Paper he also takes charge of the trading group (Spicers and Maybank) and the European Paper companies.

Mr R.J. Hubble and Mr R.J. Layman have been appointed directors of USHER-WALKER.

SMARTS GROUP, an OCS Group subsidiary, has appointed Mr Tony Dodd as operations director. He was general manager.

Mr Frank Skinner has been appointed sales director of SIELCO. He joins from Nashua where he was international sales and marketing manager.

MILLARD CONTRACTORS, part of Raine Industries, has appointed Mr Robert Irving as managing director. Mr Brian Allen as construction director, and Mr Bob Kennett as commercial director. Mr Irving was manager of the major works division of A.H. Guest. Mr Brian Eggleston, Guest's managing director, becomes chairman of Millard.

Mr Roger Meacham has been appointed managing director of SOUTH WALES FOREGEMAS, a Cardiff-based concern. He was previously managing director of Clarke's Crank and Forge, of Lincoln. Mr Frank Sackey, previously with BOC and a deputy chairman of GKN Forgings, is joining the board as a non-executive director.

Mr N.P.C. Smith, chairman of AGRANTHAM, is resigning to devote more time to other interests. He will be succeeded by Mr Michael Franks.

Mr Roy E. Goss has been appointed commercial director of CANTAB, Huntingdon, a new post. He joins from Spectronic Microsystems, where he was managing director.

THE BRITISH LAND COMPANY has appointed Mr Michael Goss as chief estates surveyor, succeeding Mr Ronald M. Carless who has resigned because of ill-health.

THE LEE BRESLEY GROUP has appointed Mr Michael Albert as group director - technical services. He takes over the administration duties of Mr A. Burgess, deputy chairman who has retired. Mr Bill Richardson has been appointed director and general manager of Thomas Laurie Electrical, Falkirk, following the death of Mr Stewart McCulloch. Mr Geoff Westwood has been appointed managing director of Ernest Walker & Co., Leeds.

Mr James M. Finley has been appointed general manager (administration) at THE SCOTTISH LIFE ASSURANCE COMPANY.

Mr George Martin and Mr Peter de Savary have been appointed.

to the board of ASPINALL HOLDINGS. Mr Martin is chief executive, and Mr de Savary a director of LandLeisure (previously known as Alfred Walker).

PARKLAND TEXTILE (HOLDINGS) has appointed Mr Stanley Cardale as group management development and training director. He was responsible for the weaving division. Mr Michael Hawley has been appointed financial director. He joins from Coopers & Lybrand, where he was an associate director. Mr Roy Smith has been appointed managing director of the weaving division. He was managing director of Parkland Manufacturing Co. Mr I. Keith Wear has been appointed group property director. He was managing director of Maitland Menswear. Mr Alex McManus and Mr Charles Hawley have been appointed joint managing directors of Maitland Menswear. They were production director and sales director respectively of Maitland Menswear.

Mr Robert N. Bee and Mr Henry J. Larsen have been appointed managing directors of TSB PRIVATE BANK INTERNATIONAL.

On April 1 1979, he and all other employees transferred to the employ of its parent company. Two trusts for the benefit of TSB employees were wound up and the assets were distributed.

The trustees' resolutions allocating specific sums to eligible employees were not made until December 21 1979. In fiscal year 1979/80, Mr Best became entitled to sums totalling £18,111 as his part of the trust funds.

The Revenue took the view that the sums were emoluments



Mr Robert Bee, who has been appointed a managing director of TSB Private Bank International

January. Mr Bee, based in London, was managing director and chief executive officer of London Intermediate Bank. Mr Larsen, based in Luxembourg, was managing director of Maryland Bank International.

Mr David Nakazawa has been appointed an executive director of PRUDENTIAL-BACHE CAPITAL FUNDING (EQUITIES).

Mr Simon Barrow has been appointed a director HENRY ANSBACHER & CO. He will join the corporate finance department from November 30. He was a partner at Ernst & Young.

FIRST NATIONAL FINANCE CORPORATION has appointed Mr Martin May-Smith as a non-executive director. He is a director of Kleinwort Benson and other companies.

Mr Bill Francis has been appointed president of the INSTITUTION OF CIVIL ENGINEERS.

Mr John H.A. Frazer has become a director of C.E. HEATH (AVIATION REINSURANCE BROKING) and Mr Reginald R. Hudson joins on December 1 as an associate director.

BRAY, INSPECTOR OF TAXES, v. BEST.
 Court of Appeal (Lord Justice May, Lord Justice Balcombe and Lord Justice Woolf): October 30 1987.

A CAPITAL sum paid to an employee on final distribution of a staff trust fund is an emolument from his employment, but is not taxable as such for any chargeable period if the employment which was the source of the payment ceased before the fiscal year in which it was made.

The Court of Appeal so held when allowing an appeal by Mr Peter Morris Best from Mr Justice Walton's decision (1986) 1 FTLR 402 that sums paid to him on final allocation of a trust fund were taxable as emoluments for a chargeable period.

Section 181(1) of the Income and Corporation Taxes Act 1970 provides that tax under Schedule E "shall be charged in respect of any employment on emoluments... for the chargeable period."

Section 183(1) defines "emoluments" as including "all salaries, fees, perquisites and profits whatsoever."

LORD JUSTICE MAY said Mr Best was employed from fiscal year 1968/69 to fiscal year 1979/80 by A. Gallen & Co.

On April 1 1979, he and all other employees transferred to the employ of its parent company. Two trusts for the benefit of TSB employees were wound up and the assets were distributed.

The trustees' resolutions allocating specific sums to eligible employees were not made until December 21 1979. In fiscal year 1979/80, Mr Best became entitled to sums totalling £18,111 as his part of the trust funds.

The Revenue took the view that the sums were emoluments

of his employment under section 181 of the Income and Corporation Taxes Act 1970, to which no special relief was attached. It made 21 assessments to income tax for the fiscal years 1968/69 to 1978/79.

On Mr Best's appeal the Special Commissioner held that the monies were emoluments from his employment, but that they could not be attributed to any of the employment years from 1968 to 1979. It followed that there was no chargeable period.

The Revenue appealed. Mr Justice Walton allowed the appeal. He said that if money was paid for service as an employee, it must be paid for some definable period of service, or be regarded as spread over the whole period of service.

Mr Best now appealed, seeking to have the Special Commissioner's order reinstated.

The Special Commissioner relied on the "source" doctrine - see *Whitman and Wheatcroft v. Income Tax and Customs Commissioners* (1976) 51 TC 583. The House of Lords decided that payments made on determination of a trust for employees arose from the recipient's employment and nothing else. There was no suggestion that the amount received should be spread over years of service. The taxpayer was assessed for only one year, namely the year of receipt, at a time when his employment was still in existence.

In that case there was a source to which payment and receipt could be related. There was a substantial difference in the facts of the present case, where the monies were received in the distribution year, after Mr Best's employment had ceased.

That an emolument from employment was not necessarily one for service or services was shown by the decision in *Hombell v. Godfrey* (1987) 51 TC 60, where payment to employees for relinquishing trade union membership was held to be an emolument from employment.

Mr Justice Walton's conclusion that an emolument from an employment must of necessity and as a matter of law be attributed to a period of that employment was erroneous.

The year or years of assessment to which to attribute such an emolument was a question of fact to be decided in the circumstances of the particular case.

From the very nature of an emolument for employment it might well be that, in most cases, it had indeed to be attributed to a particular year or years of employment. But that did not necessarily follow.

In the present case, the Special Commissioner had in effect made a finding that receipt of the relevant monies was attributable to the distribution year but, as Mr Best was not then employed, there was no source for that year and no liability to tax.

That finding could not be disturbed. It accorded with common sense. *Prima facie* a receipt of an emolument was assessable in the year it was received, unless grounds for attributing it to a specific previous period or periods existed. None existed in the present case.

The correctness of the Special Commissioner's decision could perhaps be tested by asking how any apportionment would be made if it had to be made.

The process would be very difficult. On the evidence, the trustees had to assess the amounts to be paid to each recipient on the basis of their informed assessment of a fair distribution, not on strict arithmetical grounds.

That was so despite the fact that they had obtained several computer printouts showing the effect of applying various formulae to ascertainable factors, such as length of service or seniority.

If the trustees themselves acted so, it would be impossible to attribute the monies on any rational basis.

The appeal should be allowed. LORD JUSTICE BALCOMBE, agreeing, said that the payment, in so far as it was for services, was for services generally with no particular connection with any specific services or period.

A payment which was wholly or partly for services generally should be attributed to the year in which it was paid, unless there was material which enabled one to say that it should be attributed to some other period.

If the £18,111 were to be apportioned, it should be possible for the court to state the principles of apportionment for the guidance of the Special Commissioner.

That was impossible in the light of the Special Commissioner's finding as to the basis on which the trustees of the funds arrived at their decision. LORD JUSTICE WOOLF, agreeing, said it was important to adopt the *prima facie* approach that an emolument was assessable for the year in which it was received, unless there were grounds for attributing it to some other period.

Payments to a past employee could be chargeable under section 187 of the Act which applied to "any payment" not otherwise chargeable to tax, made in connection with the termination of employment.

If the Revenue's approach were correct, it was difficult to identify any scope for the source doctrine, the existence of which was not disputed. Furthermore, there would have to be some method by which the emolument could be attributed to an earlier chargeable period or periods during which the employment still existed. The task would not merely be difficult, but would be completely hazardous.

The appeal was allowed.

For Mr Best: Andrew Park QC and Richard Bramwell (Assistants).

For the Revenue: Charles Potter QC and Michael Hart QC (Inland Revenue Solicitor).

By Rachel Davies

Barriater

Trust payment is outside tax period

directors, equivalent to the total of their salaries over the preceding five years, could not be spread over the five-year period but formed part of their salaries for their last year of office.

With regard to a third director, the facts of whose case were different from those of the other two, the House of Lords held that sums he received were compensation for loss of office, not income assessable to tax.

The difference was as between compensation for loss of office, and an emolument from employment. No view was expressed in the House of Lords about the validity of the Court of Appeal view that the emolument could not be spread over the five-year period.

The Court of Appeal judgments on that point were part of the ratio of its decision and were at least persuasive on the present court.

In *Brimley v. Milner* (1976) 51 TC 583 the House of Lords decided that payments made on determination of a trust for employees arose from the recipient's employment and nothing else. There was no suggestion that the amount received should be spread over years of service. The taxpayer was assessed for only one year, namely the year of receipt, at a time when his employment was still in existence.

In that case there was a source to which payment and receipt could be related. There was a substantial difference in the facts of the present case, where the monies were received in the distribution year, after Mr Best's employment had ceased.

That an emolument from employment was not necessarily one for service or services was shown by the decision in *Hombell v. Godfrey* (1987) 51 TC 60, where payment to employees for relinquishing trade union membership was held to be an emolument from employment.

Mr Justice Walton's conclusion that an emolument from an employment must of necessity and as a matter of law be attributed to a period of that employment was erroneous.

The year or years of assessment to which to attribute such an emolument was a question of fact to be decided in the circumstances of the particular case.

From the very nature of an emolument for employment it might well be that, in most cases, it had indeed to be attributed to a particular year or years of employment. But that did not necessarily follow.

In the present case, the Special Commissioner had in effect made a finding that receipt of the relevant monies was attributable to the distribution year but, as Mr Best was not then employed, there was no source for that year and no liability to tax.

That finding could not be disturbed. It accorded with common sense. *Prima facie* a receipt of an emolument was assessable in the year it was received, unless grounds for attributing it to a specific previous period or periods existed. None existed in the present case.

The correctness of the Special Commissioner's decision could perhaps be tested by asking how any apportionment would be made if it had to be made.

The process would be very difficult. On the evidence, the trustees had to assess the amounts to be paid to each recipient on the basis of their informed assessment of a fair distribution, not on strict arithmetical grounds.

That was so despite the fact that they had obtained several computer printouts showing the effect of applying various formulae to ascertainable factors, such as length of service or seniority.

If the trustees themselves acted so, it would be impossible to attribute the monies on any rational basis.

The appeal should be allowed. LORD JUSTICE BALCOMBE, agreeing, said that the payment, in so far as it was for services, was for services generally with no particular connection with any specific services or period.

A payment which was wholly or partly for services generally should be attributed to the year in which it was paid, unless there was material which enabled one to say that it should be attributed to some other period.

If the £18,111 were to be apportioned, it should be possible for the court to state the principles of apportionment for the guidance of the Special Commissioner.

That was impossible in the light of the Special Commissioner's finding as to the basis on which the trustees of the funds arrived at their decision. LORD JUSTICE WOOLF, agreeing, said it was important to adopt the *prima facie* approach that an emolument was assessable for the year in which it was received, unless there were grounds for attributing it to some other period.

Payments to a past employee could be chargeable under section 187 of the Act which applied to "any payment" not otherwise chargeable to tax, made in connection with the termination of employment.

If the Revenue's approach were correct, it was difficult to identify any scope for the source doctrine, the existence of which was not disputed. Furthermore, there would have to be some method by which the emolument could be attributed to an earlier chargeable period or periods during which the employment still existed. The task would not merely be difficult, but would be completely hazardous.

The appeal was allowed.

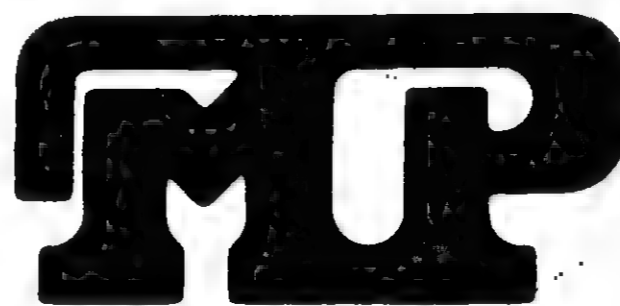
For Mr Best: Andrew Park QC and Richard Bramwell (Assistants).

For the Revenue: Charles Potter QC and Michael Hart QC (Inland Revenue Solicitor).

By Rachel Davies

Barriater

Michael Page International



Specialists in Financial Recruitment

We provide a worldwide executive recruitment service in the accountancy, finance and banking sectors. Our offices in London, Paris, Brussels, Amsterdam and Sydney are leaders in their respective markets and our consultants are experienced professionals with proven finance/recruitment ability. We have developed an enviable international reputation by working for a broad range of business organisations from multinational corporations through to small privately owned companies and newly

formed ventures. As part of Addison Consultancy Group PLC, an international group of specialist companies operating in management and communications consultancy, we have access to considerable resources and expertise. To find out more about how we can help you - call David Satin, Managing Director, Michael Page International at our Group Head Office on London 831 2000 or contact your nearest Michael Page International office.

London

Warwick Holland
 MPI London
 39-41 Parker Street
 London WC2B 5LH.

Tel:
 London 831 0431

Brussels

Stephen Raby
 MPI Brussels
 350 Avenue Louise
 1050 Brussels

Tel:
 Brussels 648 1384

Paris

Charles-Henri Dumon
 MPI Paris
 19 Avenue Georges V
 75008 Paris

Tel:
 Paris 4070 0036

Amsterdam

Stephen Burke
 MPI Amsterdam
 Amstel 344
 1017 As Amsterdam

Tel:
 Amsterdam 271377

Sydney

Allan Marks
 MPI Sydney
 Level 19
 1 York Street
 Sydney NSW

Tel:
 Sydney 235 1488

Concerned...
 ...more than ever, to keep you informed
 and safeguard your sport.

SHOOTING TIMES
 & Country magazine

The only one with the authority Every Thursday-80p



Clydesdale Bank PLC

BASE RATE

CLYDESDALE BANK PLC
 ANNOUNCES THAT WITH EFFECT
 FROM NOVEMBER 5TH, 1987, ITS

BASE

**RATE FOR LENDING IS BEING
 REDUCED FROM 9½% TO 9%**

PER ANNUM



Kip Top

Quite a cocktail of famous names, isn't it?

From the internationally successful and well established J & B Rare Scotch Whisky to the equally successful, innovative and fashionable Malibu.

J & B is the world's second largest selling whisky.

Malibu has rapidly expanded from a tiny test market in 1980 into 100 countries with over a million cases sold in 1986. Consumer research highlighted its potential. IDV's marketing expertise linked with Grand Metropolitan's financial muscle allowed it to prove that potential, quickly.

Then there's Black Velvet, Croft Original, Gilbey's Gin, Plat d'Or and of course Smirnoff; the world's biggest selling vodka with 168 million bottles sold every year.

If you take the top off any of its drinks brands, including a relative newcomer like the outstandingly successful Bailey's Original Irish Cream, you'll find out a lot about Grand Metropolitan.

Because Grand Metropolitan never just acquires a business; it makes it better.

Grand Metropolitan is now one of the UK's largest, most broadly based international companies. Its strengths are Specialist Retailing, Drinks, Food and Hotels & Gaming. By building on these strengths it is succeeding in more countries and with more customers.

And it is still growing rapidly.

Which isn't surprising. Its philosophy is, after all, to develop and add value to all its brands, businesses and properties.

It's working. The rewards are just pouring in.

GRAND METROPOLITAN

....adding value   

TECHNOLOGY: Computing

BY ALAN CANE

Blue collars move softly to the fore

How the software industry is finding that the customer is always right

JOHN IMLAY, president and chief executive officer of Management Science America, the largest vendor of packaged mainframe application software, uses the collar test to distinguish different kinds of manufacturing software.

"The back office uses white-collar software - bill of materials and materials resource processing. On the shop floor you find blue-collar software collecting data and controlling the manufacturing process."

"Open-collar software is part of the drawing office - computer aided design and computer aided engineering. Robots on the shop floor are controlled by steel-collar software. Button-down software, of course, runs the company."

Imlay may not be too serious about his definitions but he is serious about manufacturing software, which he sees as one of the principal growth areas in packaged software over the next few years.

Traditionally a vendor of mainframe-based accountancy packages for large companies - general ledger, bought ledger and so on - MSA is now in the latter stages of digesting Comshare, a recently-acquired company specialising in manufacturing software. It specialises in the kind of back office software Imlay would define as "white collar".

He is not alone in believing that manufacturing is a potentially profitable area. One of his main rivals in accountancy software, McCormack & Dodge, is following a similar strategy, as has Cullinet, a systems software vendor.

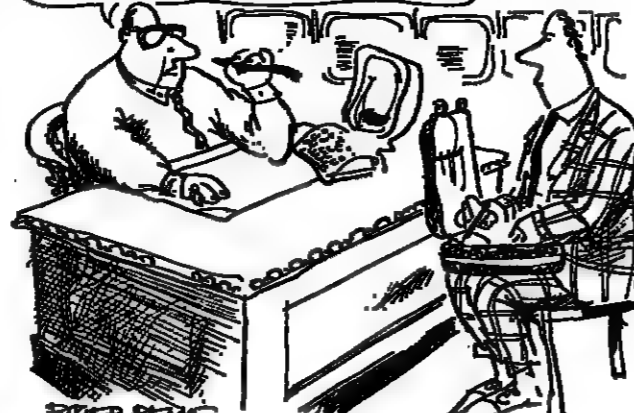
Manufacturing programs will be a principal area of growth

It is at least in part a reaction to relative saturation in these companies' traditional markets of accounting and human resources. Robert Therrien, a respected software analyst with New York stockbroker Fainwebber, noted recently: "We foresee future pressure on margins, high volatility and increasing competition in this segment."



John Imlay, president of MSA: "I cannot even imagine a hostile takeover."

WANT A SOFTWARE PACKAGE THAT DOES EVERYTHING EXCEPT FIRE PEOPLE - I STILL ENJOY DOING THAT MANUALLY



"MSA, McCormack & Dodge and a couple of smaller players continue to fight over the few sites which do buy each year, having refocused their efforts at wooing new customers with vertically integrated strategies, and their installed bases with product extensions and upgrades."

Therrien explains that software vendors' profits are hard hit when their market segment saturates, able to sustain their revenues only through selling maintenance at about 15 per cent of the cost of the package or add-on modules.

So MSA is in transition. Only a few years ago it was the undisputed leader among independent software vendors, but now it has been relegated to fourth place (it will turn over about \$250m this year), first by the dramatic growth of Lotus, which markets the best-selling spreadsheet 1-2-3, and Microsoft, de-

signer of micro operating system to IBM, and by the merger of Computer Associates and Uccel, both specialists in IBM mainframe software.

It is no longer in microcomputer software. Its purchase of the microcomputer company Fechtner failed because its cost structures were ill-equipped to deal with selling to small companies a product with a steadily deteriorating price.

It does offer the kind of software which makes it possible to use microcomputers in a mainframe environment - or to use mainframes as if they were micros. Its fourth generation language "Information Expert" makes it easy for its users to design mainframe reports as if they were sitting at a personal computer. Costing between \$30,000 and \$100,000 it gives the mainframe the look and feel of a micro.

So what trends does Imlay see in the industry? The major change he identifies is the growth of "user power". "The end user (business executives rather than data processing staff) has become much more dominant. In my most recent tour of Europe and the US, I have found that it is end users who are coming to presentations now rather than data processing professionals."

"They got their strength and independence from the personal computer. Now they are looking seriously at software," says Imlay.

He also sees powerful significance in IBM's new strength in the market place, attaching particular importance to its Systems Applications Architecture (SAA) and its increasing domination of the database area with DB2.

Cullinet, which had ruled the roost in mainframe database software, was "devastated" by DB2. Therrien of Fainwebber says: "Cullinet's diversification into software for manufacturers saved its neck in 1985 and 1986."

Imlay believes that the fall in

A powerful significance is seen in IBM's new market strength

share prices will put a temporary stop to the frenetic round of mergers and acquisitions in the software and services business. He thinks that because of the individual nature of the software business, large companies bargain hunting are not a threat. "They have to consider what they are buying. I cannot imagine a hostile takeover."

Window on the world of electronic data

NORTH AMERICAN companies make five times as much use of on-line databases (electronic information sources) as European ones and the chief reason seems to be greater ease of access.

Intel, formerly the information technology arm of the Beyer Group which was bought out by its management some months ago, aims to redress the balance in the UK with a service it calls "Infosearch".

It is basically a simple, moderately-priced common window on the world's major electronic databases which allows information to be sought and identified without complex operating procedures.

There are some 2,000 on-line databases companies offering information for sale in the US and some 1,000 in Europe. Examples include Profile, formerly Datacube World Reports, which the Financial Times bought two weeks ago from Thorn EMI.

US examples are Dialog, ADP Network Services, BRS, Datasat and Newsnet.

Customers have a number of objections to making greater use of these high-speed information sources. They claim that access is too difficult, especially for the untrained and that

is launched on December 1, there will be four - Profile, Infocheck, a fast growing credit checking company, Dialog and Jordans. Experienced users will be

Easier access to major databases should help boost the use of such information services by European companies

they have to learn a different set of commands for each database. They also object to a multiplicity of charges and billings, one for each service.

Intel is attempting to make matters easier by linking together two facilities: its own data network, Infotrac, with some 68 access points in locations throughout the UK, and Telebase, a US service based on artificial intelligence methods.

At its simplest, Infosearch offers a single telephone number a user can call to gain access to databases resident on the Infotrac network. When the service

connected to the database of their choice via the Infotrac network where they can search the electronic files using the conventional procedures they know and understand.

Inexperienced users, however, or those who do not know on which database the information they are seeking resides, can ask the system to make the choice for them.

In this case, the customer is switched through to the Telebase computers in Philadelphia. Here an expert system sets up a series of questions de-

signed to elucidate what kind of information the customer wants and where it is likely to be found.

Customers can, of course, simply ask for a database of their choice. But whether the customer chooses the database or the system makes the choice, the search procedures are common for all databases, eliminating the need to learn separate query languages for each.

Intel seems to be meeting a powerfully felt need in the UK. It sent a test mailing to some 700 companies of which 70 signed up in the first week.

Costs for the service are similar to those charged by individual on-line database companies. A credit search through Infocheck costs £10 per report, for example.

Searching through the Profile database costs £1.35 per minute of connection. There is a one-time charge of £100 for each user password issued.

All the customer needs to gain access to the network is a personal computer or terminal fitted with a modem.

Why cabling is for live-wire managers

THE CABLING of offices has traditionally fallen to the building services department; senior managers have carried out a survey of some 50 leading companies, senior managers are both abysmally ignorant and unconcerned about the implications of implementing data networks.

The advent of the "intelligent building" processing systems, technology is changing this perception, although not as fast as specialists in information technology would like.

They agree that the day of the stand-alone personal computer is well-nigh over and that modern business needs will be met best by networks of workstations tied together into single information processing systems.

The problem is that networking is such a new concept for most businesses that there is no readily available source of advice and guidance, either for choice of networking philosophy or method of cabling. (There may seem to be a large intellectual difference between deciding on a networking philosophy and deciding how to run a cable kilometres of copper or fibre optic cable through a building, but the two questions

are intimately related.)

And, as Jeremy Bent of BICC Data Networks discovered when he carried out a market survey of some 50 leading companies, senior managers are both abysmally ignorant and unconcerned about the implications of implementing data networks.

The day of stand-alone personal computers is well-nigh over. Modern business needs will be best met by networked system.

His findings confirm the views of established networking and cabling authorities like Eosys, the office systems consultancy, and Roger Camm of the Butler Cox group.

The facts are, first, that there is a serious lack of perception of the cost of cabling a building for modern networking in most companies. Bent reckons that in a new building, properly designed for networking, cabling costs for each terminal or personal computer can run to about £200.

The same network installed in an old building in, say, the City of London, can cost £400 per terminal. The difference is cost where a network of several hundred or thousand terminals is to be installed will be huge.

Among the horrors networking companies come upon when recabling old buildings are con-

ditions already filled to overflowing with unmarked cables and vertical and horizontal conduits so badly matched that cables cannot be threaded through them. It all sounds thoroughly pedestrian, but it can prove unexpectedly expensive both in time and money.

Second, there is little practical experience of networking, even using systems such as IBM's Token Ring. The token ring is a technology IBM has adopted for networking personal computers together in local

areas but it has yet to deliver its token ring products in volume. Customers think of installing large token ring networks, but the largest Bent has been able to trace in Europe has only 30 nodes or terminal connection points.

Today, BICC is holding in London the first of four sessions, to be called the "Information Exchange", at which the problems of networking and cabling will be explored before an invited audience.

The speakers will include Camm of Butler Cox, David Honey of Deloitte, Brian Amey of Electrical Installations and Don Roworth of BICC.

David Finner, managing director of Eosys, has promised practical guidance in the form of management consultancy to companies attending the second session early next year.

The idea is to keep the sessions small and informal without (BICC excepted) vendors present. Companies interested in sharing their views and experience can contact Jeremy Bent on 0442 231000.

Legal Notice

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
No. 00095 of 1987
IN THE MATTER OF
FRAN EUROPE LIMITED
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 15th October 1987 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named company from £4,000,000 to £2,000,000. AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Hon. Mr. Justice Peter Gibson at the Royal Courts of Justice, London, W.C.2, on the 23rd day of November 1987. ANY Creditors or Shareholders of the said Company desirous of objecting to the reduction of capital should apply to the Registrar of Companies on or before the 23rd day of November 1987. A copy of the said Petition will be forwarded to any such person upon request by the undersigned Solicitors on payment of the regulated charge of £10.00 plus 25p per day of November 1987. Dated this 2nd day of November, 1987. Lewis, White & Riley 21 New Bridge Street, London EC2A 3EY.

No. 000797 of 1987
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
THE COMPANIES ACT 1985
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 12th October 1987 confirming the reduction of the capital of the above-named Company from £2,000,000 to £2,950,000 and the Minutes approved by the Court showing with respect to the capital of the Company an abridged version of the particulars required by the above-mentioned Act were registered by the Registrar of Companies on 20th October 1987. Dated this 22nd day of October 1987. Jacques 2, South Square, Gray's Inn, London WC1R 5SH. Solicitors for the above-named Company.

Personal

DG BANK
Deutsche Girobank
LONDON BRANCH

A memorial service for Pat Harvey will be held on Monday, November 9th, at St. Mary-le-Bow, Cheapside, EC2, at 11.45 a.m. All friends and business colleagues most welcome.

Contracts and Tenders

TENDER NOTICE
MALAWI

FERTILIZER—SMALLHOLDER REQUIREMENTS 1988/89 SEASON

The Government of the Republic of Malawi and Agricultural Development and Marketing Corporation have a Fertilizer Revolving Fund held with Reserve Bank of Malawi. The International Fund for Agricultural Development (IFAD) and International Development Association (IDA) have contributed to the Fertilizer Revolving Fund. The Fertilizer Revolving Fund will be utilised exclusively for the procurement of fertilizer for the Malawi Smallholder Sector's 1988-89 season requirements.

Tendering procedures will be in accordance with IFAD and IDA procurement guidelines:

- Brief details of the fertilizer required are as follows:—
- Between 10,000 and up to 20,000 metric tonnes NPK compound 23:23:0.
 - Between 15,000 and up to 25,000 metric tonnes calcium ammonium nitrate.
 - Between 10,000 and up to 15,000 metric tonnes urea.
 - Between 5,000 and up to 10,000 metric tonnes D.A.P.
 - Between 5,000 and up to 10,000 metric tonnes of sulphate of ammonia.

The closing date of the tender is 8th December 1987 and Tender documents may be obtained by any interested bidders from the address below:

V MALAWI FINANCE COMPANY LTD.,
ROMAN HOUSE,
WOOD STREET,
LONDON,
EC2Y 5BP.

Legal Notice

IN THE MATTER OF
HARVEY ROBERTSON LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company which is being voluntarily wound up are required to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Mr. Antony Hoffmann, F.C.I.A., of 1412, Winton, Cyprus, the Liquidator of the said Company, and if so required by notice in writing from the said Liquidator, are to be excluded from the benefit of any distribution made before such debts are proved. Dated this 6th day of November 1987. A. HARRIMAN, F.C.I.A., Liquidator.

IN THE MATTER OF
ACSON
LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company which is being voluntarily wound up are required to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Mr. Antony Hoffmann, F.C.I.A., of 1412, Winton, Cyprus, the Liquidator of the said Company, and if so required by notice in writing from the said Liquidator, are to be excluded from the benefit of any distribution made before such debts are proved. Dated this 6th day of November 1987. A. HARRIMAN, F.C.I.A., Liquidator.

NOTICE TO COMPANY OF APPOINTMENT OF

JOINT ADMINISTRATORS AND RECEIVERS
PURSUANT TO SECTION 10(1)
OF THE INSOLVENCY ACT 1986

We, Cyril Walter Field and Robert Edward Caunce Cook of 21, St. James's Place, London, SW1A 1HQ, do hereby give notice that on the 23rd day of October 1987 we were appointed joint administrators and receivers of the above-named company by the Court of the High Court of Justice in London sitting at the Royal Courts of Justice, London, W.C.2, on the 23rd day of October 1987.

SWITZERLAND
FINANCE AND
INVESTMENT
The Financial Times
proposes to publish this
notice on
Tuesday 13th December 1987

For further information
please contact:
Gunter Bridding on
022 / 311 604

Financial Times (Switzerland)
15, rue du Commerce
1201 Geneva

or
Patricia Stridger
Bracken House
10 Cannon Street
LONDON EC4A 3DF
Tel. 01 248 8000 ext 3426

FINANCIAL TIMES
EUROPEAN BUSINESS
NEWSPAPER

Company Notices

EUROPEAN ECONOMIC
COMMUNITY (EEC)

11% ECU Bonds due 1998

20 of the series including the 6,250 bonds drawn by lot and making up the entire stock of 125,000 bonds, are to be redeemed on December 14, 1987.

From No. 27781 to 34230 held 20 of the series previously drawn by lot and repayable on December 14, 1998.

Each of these bonds is repayable at ECU1,000 at the offices of the following banks:

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank
Brussels Lambert S.A./Bank

COME TO BRUSSELS, SEE THE WORLD.

You international travellers know a thing or two.

You certainly know Brussels - capital of Europe, historic meeting point of cultures - as a popular destination or stopover.

But did you know that Brussels International airport is a European hub that offers you fast connections

to anywhere in the world - and spares you the traffic jams and crowded terminals of bigger cities?

Did you know that Sabena is the leading airline serving the African continent, with 27 destinations? Or that we can fly you from Brussels to any destination in North America, via 8 strategic gateways - the same day?

It's a small world at Brussels International airport.

SABENA
BELGIAN WORLD AIRLINES
SAVOIR - FAIRE IN THE AIR

WHAT GIVES METRO-CAMMELL'S SPRINTERS THE EDGE? A 3 MONTH EARLY START AND A 30 YEAR RUN.

Our Sprinter Diesel Multiple Units always get British Rail off to a flying start.

The first of the latest generation of Class 156 high quality cross country DMU Sprinters has been completed 3 months ahead of schedule.

In fact early completion is a crucial part of Metro-Cammell's main contractor policy.

Recent contracts for the Hong Kong Mass Transit, Kowloon-Canton Railway and for London Underground all ran early. We were months ahead of the timetable in all cases.

What's more, consistently beating the deadline in no way detracts from the high quality of our products and engineering or our ability to work to budget and our total customer support.

And what better proof than the fact that our Class 101 DMU's supplied way back in 1957 are probably the best that British Rail ever had and are still going strong.

To be a front runner in the international rail industry takes rather more than just being quick off the mark.



METRO-CAMMELL

We're in the long term consistency and service business.

ARTS

Arts Week

F S Su M Tu W Th
6 7 8 9 10 11 12

Music

LONDON

BBC Philharmonic Orchestra (cont.) by Luciano Berio with Satoru Meyer, cello, and Karin and Marnie Labèque, pianos. Haydn, Brahms and Beethoven Baroque Hall (Mon) 1935 2141

City of London Sinfonia conducted by Richard Hickox with Fao Tiang, piano. Handel and Mozart. Barbican Hall (Wed) 1935 2141

Melton Quartet, Beethoven, Wigmore Hall (Wed) 1935 2141

London Symphony Orchestra conducted by Claudio Abbado with Alexander Weissenberg, piano, Ravel and Prokofiev. Barbican Hall (Thurs)

Theatre

LONDON

Separation (Hampstead): Powerful sequel to *Duet For One* by Tom Kempinski using that play as furniture in the transatlantic love story of a crippled actress and over-weight autobiographical playwright. David Suchet and Saskia Reeves give all in Michael Attenborough's production (722 9301)

The Rover (Museum): Jeremy Irons rosters into town in the RSC's Swan production by John Barton of Aphra Behn's rollicking comedy. Plays in repertoire with the Chelmsford play, *Sarcophagus*, an urgent but clumsily crafted hospital drama set in a terminal radiation clinic as the first victims of the disaster are wheeled in (336 5562/638 2881)

A Man For All Seasons (Savoy): Chortling Hamon begs no favourable comparison with Paul Scofield as Sir Thomas More in a leaden production of a play best left to amateurs and schoolchildren (836 2858)

Antony and Cleopatra (Olivier): Peter Hall's best production for the National Theatre he leaves in 1988 brings this great but notoriously difficult play to thrilling life, with Judi Dench and Anthony Hopkins as battle-scarred lovers on the brink of old age. Dench is angry, witty and ultimately moving (628 2283)

The Phantom of the Opera (Her Majesty's): Spectacular but emotionally nutritional now musical by Andrew Lloyd Webber emphasising the romance in Leroux's 1911 novel. Happens in a wonderful Paris Opera ambience designed by Maria Bjornson. Dave Willetts has succeeded Michael Crawford as the Phantom (839 2244, CC379 6131/640 7701)

The Balcony (Barbican): Sadly dated and heavy-handed opening to the RSC's Genet retrospective, not helping to fight suspicions that the

RSC, certainly in London, is stretched way beyond its creative capacities. Terry Hands directs, Farrah's set looks like a cheap pink brooch and the actors, a dull lot, clump around on high boots in big bulging costumes (658 8768)

Follies (Shaftesbury): Stunning revival, directed by Mike Ockrent and designed by Maria Bjornson, of Sondheim's 1971 musical in which poisoned marriages nearly undermine an old burlesque reunion in a doomed theatre. Four new songs, improved book by James Goldman. Cast led by Dolores Gray, Julia McKenzie, Diana Rigg, Daniel Massey. All good (373 5356)

Melton (Haymarket): Alan Bates predictably good in new Simon Gray, clumsily directed by Christopher Morahan, about a jealous publisher viewed in flashback from a psychiatric ward after a breakdown. Menopausal musing, not vintage Gray (930 9832)

Serious Money (Wyndham's): Transfer from Royal Court of Caryl Churchill's sick City comedy for champagne-swilling yuppie, how the Big Bang led to class tumult and barrow-boy dealings on the Stock Exchange. Hot and vivid, but new cast deemed less good (836 3036, CC 379 6996)

A Small Family Business (Olivier): Brilliant new Alan Ayckbourn play about Britain on the fiddle in greedy times, selling out to foreigners and keeping it simultaneously in the family. A comedy thriller on the large scale. (928 2282)

NEW YORK

Fences (48th Street): August Wilson hit a home-run, this year's Pulitzer Prize, with James Earle Jones taking the powerful lead role of an old baseball player raising a family in an industrial city in the 1950s, trying to improve their lot but dogged by his own failings (221-1211)

Cats (Winter Garden): Still a sellout,

Herne (Thurs), Amsterdam, Concertgebouw, (71 85 45)

The Colorado Quartet performs Haydn, Laderman, Dvorak (Tue), The Touring Ensemble under Christian Bor. Mozart, Shostakovich, Dvorak (Thurs), Utrecht, Vredenburg, Recital Hall (31 45 44)

Netherlands Chamber Orchestra conducted by Gustav Leonhardt. Netherlands Chamber Choir, with Bob van Asperen, harpsichord: Sweelinck, Huygens and their contemporaries (Thurs), Rotterdam, Doelen, Recital Hall (43 34 90)

NEW YORK

London Philharmonic, Klaus Tennstedt conducting, Mozart, Mahler (Tue), Vladimir Peltzman piano recital, First public appearance in the US since leaving the Soviet Union. Carnegie Hall (247 7800)

New York Philharmonic, Erich Leinsdorf conducting, Schubert, Messiaen, Schumann (Wed), Lorne Munroe cello, Britten, Walton, Debussy (Thurs), Kent Nagano conducting, Bela Davidovich piano, George Benjamin, Chopin, Bartok (Thurs), Lincoln Center (Avery Fisher Hall) (674 2424)

Waverly Consort (Alice Tully): Ludly, Lambert, Deland, Couperin (Thurs), Lincoln Center (368 1911)

WASHINGTON

National Symphony (Concert Hall), Rafael Fruebeck de Burgos conducting, Janice Taylor mezzo soprano,

no with Choral Arts Society of Washington directed by Norman Scribner. All Brahms programme (Tue), Lorin Maazel conducting, All Hindemith programme (Thurs), Kennedy Center (254 3776)

CHICAGO

Chicago Symphony Orchestra (Hall), Leonard Slatkin conducting, William Powers baritone with Chicago Symphony Chorus Barber, Hanson, W. Schuman (Thurs), (465 8111)

TOKYO

New Japan Philharmonic Orchestra conducted by Seiji Ozawa, Verdi, Ravel Tokyo Bunka Kaikan (Mon) (469 5311)

Orchestra de la Suisse Romande, conducted by Armin Jordan, with Martha Argerich, piano. All Ravel programme. Hilson Memorial Hall, Shown Women's College, Sangan-ya (Mon) (573 3588)

Alban Berg Quartet, All Beethoven, Suntory Hall (Tue) (505 1010)

Japan Philharmonic Symphony Orchestra, conductor, Hartmut Haenchen with Yukio Fujiwara, piano. Mozart, Chopin, Beethoven, Kan Hoken Hall, U Port, Gotanda (Tue) (257 9950)

Tokyo Metropolitan Symphony Orchestra conducted by Adam Fischer, piano, Pascal Devoyon, Mozart, Tchaikovsky Tokyo Bunka Kaikan (Wed) (822 0727)

Gidon Kremer, violin with Martha Argerich, piano, Schumann, Bartok, Franck, Suntory Hall (Wed) (573 3588)

Opera and ballet

PARIS

London Festival Ballet at the Theatre des Champs Elysees (4730363) **Houston Grand Opera** with Sherwin M. Goldman, Forgy and Bess at the TNP Chatelet (4233444)

WEST GERMANY

Berlin Deutsche Oper, Alvin Alley American Dance Theatre, (34381) Hamburg Staatsoper, Don Pasquale, produced by Frans Marjnen with his premiere this week, the cast, including Paolo Montarsolo, Urban Malmborg, Helen Kwon and Kurt Stoll. Zar und Zimmermann, is also in the repertoire and The Nutcracker, choreographed by John Neumeier, is revived with Jessica Funt, Jeffrey Kirk and Stefanie Arndt. (351151)

Frankfurt Opera, Così fan tutte, produced by Graham Vick and conducted by Gary Bertini. In the main parts are Margaret Marshall, Diana Montague, Olaf Bar, Hans Peter Blochwitz, Tom Krause and Mitsuko Shirai, Gluck's rarely played Iphigénie in Aulis and Iphigénie auf Tauris round off the programme (25821)

Cologne Opera, Die Meistersinger von Nürnberg, with Nadine Secunde, Theo Adam, Matthias Helle and Robert Hofsthal, Also a Festival of Voices with Gabriella Senise

kova Cap, Tatiana Troyanos, Hone van Dam and Peter Dvorsky, Pique Dame in Rudolf Noelle's production and Eine Florentinische Tragödie/Gianni Schicchi (20781)

Stuttgart Württembergisches Staatstheater, Die Soldaten has fine interpretations by Nancy Blude, Miro Varga, Grace Hoffman, Guy Renard and Kalus Hirt. Die Entführung aus dem Serail stars Kristina Laki, Yasuko Kazaki, Uwe Halmann and Helmut Berger Tuna. (20321)

ITALY

Turin Teatro Regio, Siegfried, sung in German, conducted by Zoltan Pesko and directed by Claudio de Bosis. Scenery by Atilio Kovacs and costumes by Santuzza Calli. In the cast are Boris Bakov, Gerd Brenner, Graham Clark, Heinz Klaus Ecker and Orun Wenkel. (548,000)

Trieste Teatro Comunale, Carmen, sung in French, with Alice de Vaughn in the title role. Conducted by Hubert Soudant, Mascagni's L'Amico Fritz, conducted by Evelino Pado and directed by Mario Samata. (631945)

NETHERLANDS

Eindhoven Schouwburg, The Intruders company in Ed Wubbe's new choreography of Carmela Baran (Wed) (11 11 22)

Amsterdam Muziektheater, Donizetti's Don Pasquale performed by the

Netherlands Opera directed by Renato Ackermann. Bruno Campanella conducting the Netherlands Philharmonic, with Henk Smit, Carlène Barbaux, William Shimell and Raul Gimenez (Wed) (255 455)

NEW YORK

Metropolitan Opera (Opera House). The premiere of Fabrizio Melano's new production of Il Trovatore highlights the week. Richard Bonynge conducts, with Joan Sutherland, Fiorenza Cossotto and Luciano Pavarotti. Continuing are Franco Zeffirelli's production of La Bohème conducted by Julius Rudel with Roberto Alagna and Brian Schenck. (362 6000)

New York City Opera. The week features Jack Hofsis's production of The Student Prince conducted by Paul Gemignani, with Leigh Munro, Dominic Coss and Jon Garrison in the title role. The final production of the season starts, a double bill of Mozart's The Goetz of Cairo and Oliver Knussen's Where the Wild Things Are. (870 5570)

Jeffrey Ballet (City Center). The month long schedule continues

with three premieres, including a Robert Joffrey Nutcracker, Nijinsky's Le Sacre de Printemps and Three Preludes by Ben Stevenson set to Rachmaninoff, along with Frederick Ashton's La Fille Mal Gardée and nearly two dozen repertory favourites. 55th St. east of 7th Av. (947 6850)

WASHINGTON

Washington Opera (Opera House). The 32nd season opens with Romeo et Juliette conducted by Cal Stewart Kolliga, featuring Angela Maria Blas and Nell Wilson in the title roles. Kennedy Center (254 3776)

TOKYO

Deutsche Oper Berlin, director Gutz Friedrich, orchestra conducted by Jesus Lopez Coloso. Die Walküre (Tue), Siegfried (Thurs). Soloists include, Catarina Ligengas, Julia Varsady, Rene Kollo, Don McIntyre, John Dobson. Tokyo Bunka Kaikan (726 8888)

Continued on page 25

APPOINTMENTS
ADVERTISING

£43
per single column
centimetre

Premium positions
will be charged £52
per single column
centimetre

For further information
call 01-248 8000

Tessa Taylor
ext 3851
Deirdre Venables
ext 4177
Paul Maraviglia
ext 4676
Elizabeth Rowan
ext 3456

TOKYO

Kabuki (Kabuki-za): The matinee plays are best. Excellent information. English captions commentary and detailed programme notes. Newcomers may find one play enough but the first timer's one ticket on the fourth floor is not good value. Sightlines are poor and there is no English earphone guide. Instead, purchase a third floor ticket. Kabuki-za, near Ginza (541 8121)

NORTHERN IRELAND

The Financial Times
proposes to publish a Survey on the above on
Thursday, December 3, 1987

Topics proposed for discussion include:

OVERVIEW	ENERGY
INDUSTRY	RETAIL PROPERTY
THE ECONOMY	COMMUNICATIONS
INDUSTRIAL DEVELOPMENT	POLITICS
BANKING & FINANCE	TOURISM
COMPUTER SOFTWARE	AGRICULTURE
SMALL BUSINESS	

For a full editorial synopsis and details of
available advertisement positions, please contact:

BRIAN HERON
on 061-834 9381

or write to him at

Alexandra Buildings, Queen Street
Manchester M2 5LF
Telex: 666813

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
LONDON · FRANKFURT · NEW YORK

ACHIEVEMENTS THAT SATISFY THE THIRST FOR PROGRESS.

Great projects are planned for the world of tomorrow. Solutions for these are being provided today in the great achievements of Saipem.

Solutions like the aqueduct which carries water across miles of mountains and deserts to bring new life to the land in Assir in Saudi Arabia.

A demonstration of the technological experience and skill that are hallmarks of Saipem around the world. Offshore platforms, pipelines, civil engineering undertakings, power and chemical plants - all are projects that bring progress, more jobs and a better quality of life.

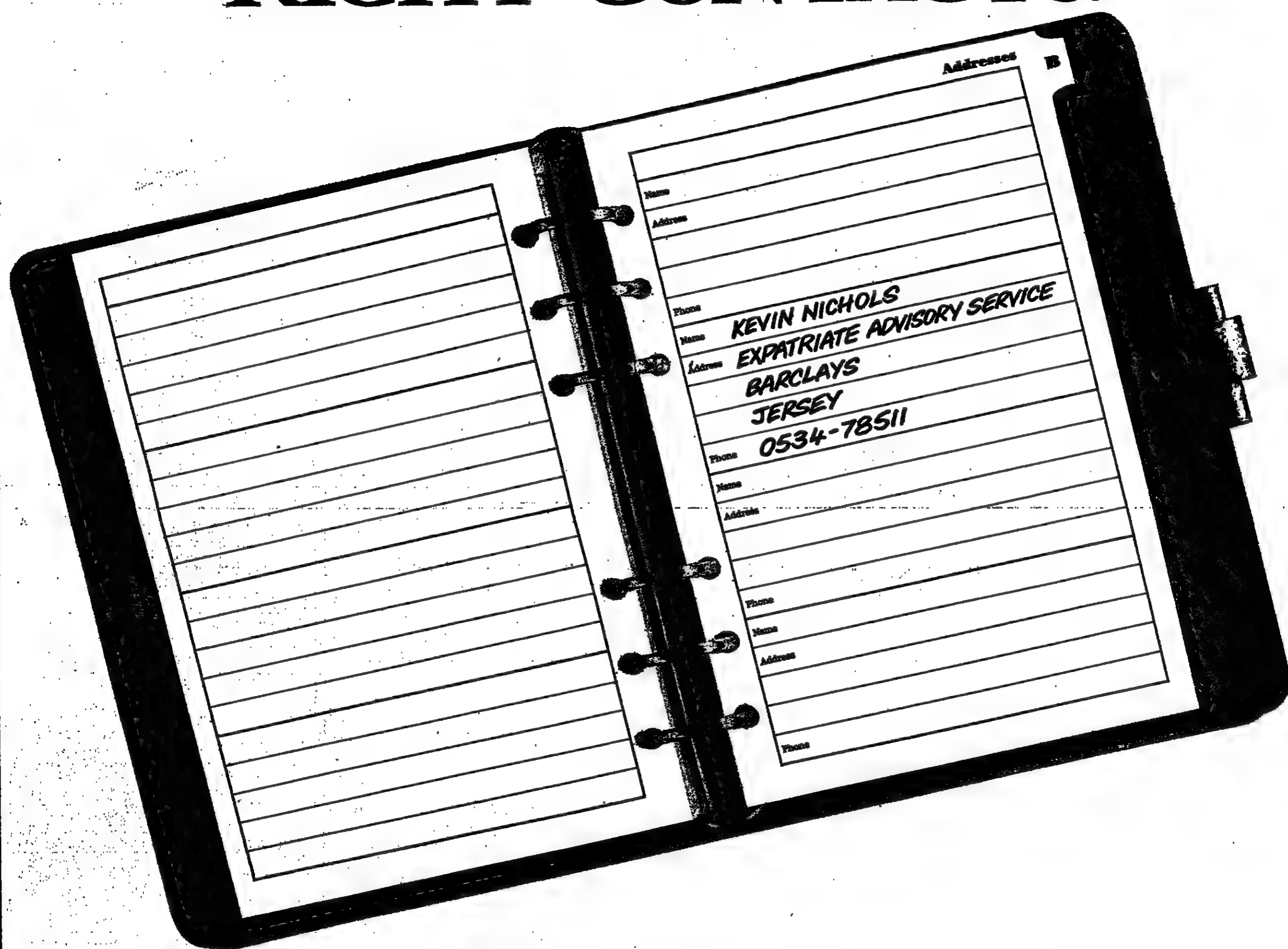
That's Saipem: a leader in growth for Italy both at home and abroad.

Saipem
ENI GROUP

The people, the skill, the equipment.

مركز من الأعمال

WHEN YOU ARE WORKING ABROAD, MAKE SURE YOU'VE GOT THE RIGHT CONTACTS.



When you're working in Britain, you're unlikely to need the advice of an expert in offshore tax-efficient investment.

But as soon as you become an expat working abroad, the situation changes. In fact, you'll find it hard to manage without one.

That's why you should talk to Barclays Expatriate Advisory Service in Jersey. Because we can help with all the financial aspects of working

abroad, in particular with the investment of income and capital.

So whether you want a tax-efficient deposit account, or multi-currency transactions or someone to deal with any other financial problem, you will find a personal banker in Jersey one of your most useful contacts abroad.

Just give Kevin Nichols a ring. And keep our number in your address section.

Surname Mr/Mrs/Miss:

Forename(s):

Address:

Tel: Home

Business

Kevin Nichols, Expatriate Dept. 1D, PO Box 435, 13 Library Place, St. Helier, Jersey, Channel Islands. Tel. 0534 78511.



BARCLAYS

EXPATRIATE ADVISORY SERVICE

THE PROPERTY MARKET

BY WILLIAM COCHRANE

THREE POSSIBLE FUTURES for Britain's high streets, troubled by the state of out and edge-of-town retail development proposals, were put to the people who finance, build and occupy them at the first annual conference of the British Council of Shopping Centres, in Bournemouth this week.

In a keynote address, 'The Health of the High Street', Professor John Dawson of the Institute for Retail Studies at the University of Stirling said that the first scenario would mean a high street given over to leisure shopping, losing some of its present variety.

Professor Dawson defined leisure shopping as a market for non-essential products and services. There would be greater emphasis on designing a leisure environment in-store and encouraging shoppers to stay longer. Public agencies would refurbish the common/public areas of the high street, exclude traffic, redesign street furniture and the costs of this would presumably be borne by local government.

The second option was a much greater presence of service retailing, the services being listed as: personal, medical, financial, leisure/entertainment, household, business, and social. This had about as much appeal at a BCSC conference as the proverbial lead balloon; council members have made no secret of their disquiet at the invasion of high street prime locations by the very building societies and banks which Professor Dawson was talking about.

His third scenario, however, was politically much more acceptable. He suggested an environment 'strategically managed in comparable fashion to a shopping centre', an idea which

High noon in high streets

coincides with the BCSC's own proposal for the creation of low-centre managers.

Implementation, he said, would require the involvement of local government, retailers and the financial institutions which have invested heavily in high street property, including shopping centres. 'At the end of the day,' he concluded, 'the people who own the high street have the most to gain or lose by its vitality or otherwise.'

In recent years, the major threat to the high street has been perceived as the persistent and increasing trend for retailers to locate in out of town or edge of town locations - exemplified last year by the opening of Cameron Hall's £200m, 2m sq ft MetroCentre in Gateshead's Enterprise Zone.

It was developments like these which contributed to the deurbanisation of the US and the 'hole in the doughnut' syndrome, the phrase coined to describe the vacuum which developed in America's town and city centres in the 1960s and 1970s as householders, jobs and retailers followed the freeways to the edge of town, leaving the centres to dilapidation and decay.

Now, town centres are showing the will to meet the threat head-on. At the same time, another keynote address at Bournemouth suggested that the British problem may prove to be less acute than the one which the Americans have experienced.

'The Planning Implications of Out of Town Shopping and American Experience' were examined by Professor Peter Hall, of the Universities of Reading and Berkeley, California, and Michael Breheny, a lecturer at Reading.

'For the past 20 years,' said Professor Hall, 'the message for retailing has been "out, out, out". The general assumption in Britain is that this profound trend towards deconcentration of population and jobs will continue and that a new decentral-

ised urban structure is inevitable. However, we are not so sure.'

Looking at America, he noted that, by the 1970s, some analysts were reporting that the move to the suburbs was being succeeded by deurbanisation, or the decline of entire metropolitan areas. The geographer Daniel Vining hailed this as a 'clean break from the past: a reversal of the two-hundred-year trend from farm to city'.

'Now,' Professor Hall observed, 'the analysts are confused. For the latest data indicate yet another reversal. During the early 1980s, not only did the metropolitan areas again resume their growth, increasing much more rapidly than the non-metropolitan residents: in addition, for the first time in decades, growth in the central cities again picked up'.

Hall and Breheny concluded that for the time being, the long-continued process of outwards deconcentration of America's urban areas seemed to be coming to an end. 'People, jobs and retailing appear to be in some sort of equilibrium,' they said.

'Since Britain was the first European country to follow the American trends on any noticeable scale,' they added, 'we might hazard a guess that it will also be the first to witness the revival of the central city.'

In certain areas, it seems, the net loss of population has actually been stemmed. In the last three years Greater London, after almost three decades of continuous population loss, has witnessed a small growth in its population,' noted Mr Breheny.

In the US, as Hall and Breheny's chart demonstrates, the growth in retail floorspace is following the trend of decentral-

ised urban structure is inevitable. However, we are not so sure.'

Looking at America, he noted that, by the 1970s, some analysts were reporting that the move to the suburbs was being succeeded by deurbanisation, or the decline of entire metropolitan areas. The geographer Daniel Vining hailed this as a 'clean break from the past: a reversal of the two-hundred-year trend from farm to city'.

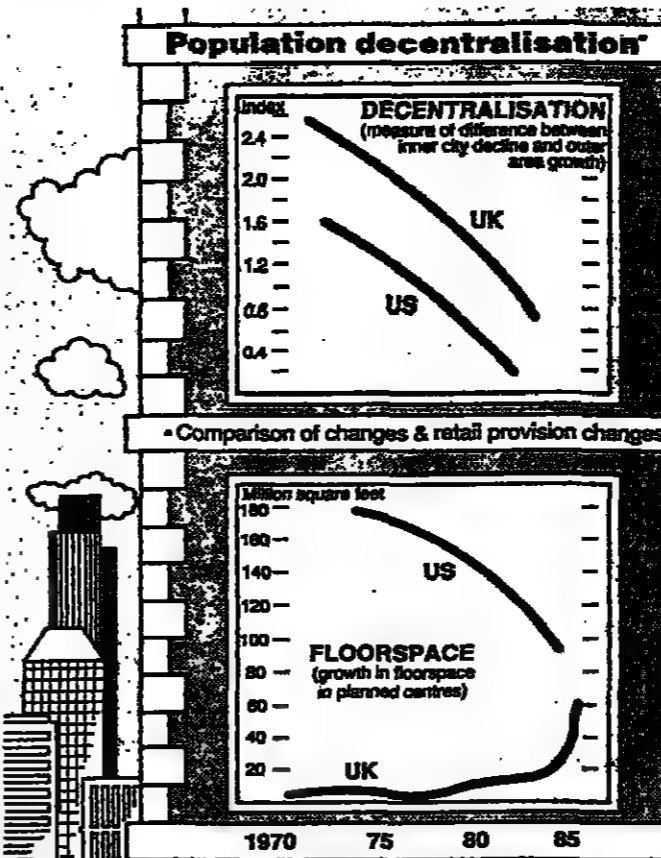
'Now,' Professor Hall observed, 'the analysts are confused. For the latest data indicate yet another reversal. During the early 1980s, not only did the metropolitan areas again resume their growth, increasing much more rapidly than the non-metropolitan residents: in addition, for the first time in decades, growth in the central cities again picked up'.

Hall and Breheny concluded that for the time being, the long-continued process of outwards deconcentration of America's urban areas seemed to be coming to an end. 'People, jobs and retailing appear to be in some sort of equilibrium,' they said.

'Since Britain was the first European country to follow the American trends on any noticeable scale,' they added, 'we might hazard a guess that it will also be the first to witness the revival of the central city.'

In certain areas, it seems, the net loss of population has actually been stemmed. In the last three years Greater London, after almost three decades of continuous population loss, has witnessed a small growth in its population,' noted Mr Breheny.

In the US, as Hall and Breheny's chart demonstrates, the growth in retail floorspace is following the trend of decentral-



Darkness on the edge of town

THE OUT-OF-TOWN threat has its little subtleties. Politicians and other punters worry about million square feet megacentres while a less sensitive form of retail development, retail warehousing, has been galloping along.

Stuart Hampson, director of research and expansion at the John Lewis Partnership, said at Bournemouth that there was approximately 3m sq ft of retail warehousing in the London area with another 7m in the south east of England making 10m in total.

'It looks as if another 10m sq ft is now due to come on to the market,' he said. 'That's what the town centre market has to cope with without any "third wave" of out-of-town regional shopping centres coming along.'

So town centres need to respond; some of them, like Newcastle with Capco's thriving Eldon Square centre, are doing so already; in the course of the conference, BCSC put up a way for them to do so more effectively.

Len Jarrod, senior partner of Hillier Parker and president of BCSC, introduced a policy document which said that town centre managers should be appointed. The new manager would co-ordinate public works, develop a 'spirit of place' and promote the town. He or she would deal with police, traffic management, chambers of trade, public transport and planning control, high-

ways, landscape, street lighting and cleansing.

The idea is not new. In Japan, according to Professor Dawson, the improvement of 'shopping streets' was encouraged, and partly financed by government.

In the US, the Downtown Research and Development Centre in New York was arguing for a managed approach to Main Street in the early 1970s; this led to town by town approaches later in the decade.

There was a jingoistic response to some of this, architects, agents and others professing to see no reason why the British should follow the American, or any other foreign pattern.

However the fact is that CALUS, the Centre for Advanced Land Use Studies at the College of Estate Management, Reading, which organised this conference, also organises extensive shopping centre trips to, inter alia, the US and Canada.

The threat to UK centres is not simply external. The BCSC Public Affairs Committee, under the chairmanship of Mr Peter Spide, estates director of Marks & Spencer, says that many traditional British High Streets are drab, squalid, congested, wet and draughty.

It is worth remembering that M & S, and the John Lewis Partnership, are both exploring out-of-town retailing despite their heavy investment in town centre properties.

A unique West End opening



One of the finest new office developments in Central London has now opened its doors.

77 SHAFTESBURY AVENUE stands on the northern side of Shaftesbury Avenue and covers the entire frontage between Dean Street and Fifth Street.

An ideal location for easy access to the City, Mayfair, the shops of Covent Garden and virtually every major British Rail and Underground link.

Spread over five floors it offers approximately 50,000 square



feet of thoughtfully designed and beautifully appointed office space.

The development is fully air-conditioned and each floor has the flexibility to be laid out as private offices or open plan.

77 SHAFTESBURY AVENUE's unique position is complimented by its unique decor.

A beautiful marble lined entrance hall leads to a modern central atrium complete with glass enclosed lift and a cascading waterfall feature.

To view this superb development please contact Roger Newton or Nicholas Theobald at Hillier Parker, the sole agents, to arrange an appointment.



A DEVELOPMENT BY SPETRAKAW LAND & ESTATES LTD. IN CONJUNCTION WITH ELDON INVESTMENT MANAGEMENT LTD.

Hillier Parker
01-629 7666

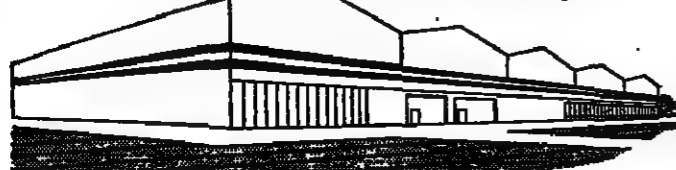
77 Grosvenor Street
London W1A 2HT
The Office Development
Specialists

WANTED SEVEN ACRE SITE FOR



To construct distribution warehouse. Good access to road network essential. Agents retained if appropriate.

IF YOU CAN HELP PLEASE CONTACT John Cullis, Gavin Simpson or James Palmer at the Sole Agents.



On instructions from Greater Manchester Redoubt Body FOR SALE Two modern high yielding industrial investments close Manchester City Centre. Total income approximately £20,000 per annum exclusive. Available individually or as one lot. For further information contact: MacDaniel & Daw, 1 Beeth Street, Manchester M2 6PU. Tel: 061-225 1000 or Cullis, Simpson & Palmer, 24 Cross Street, Manchester M2 7AN. Tel: 061-225 1000.

Serviced Office
5 mins. from Liverpool St.
550 sq ft
to let
STREITONS
01-375 1881

STUNNING PENTHOUSE OFFICES
2,000 sq ft available immediately. Previously unoccupied AG office building. Overlooking Thames and Chelsea Park. 3 year lease. Phone: 01-360 1000
Skillion plc

GUILD HOUSE
36-38 FENCHURCH STREET
EC3
BUSINESS CENTRE
01-929 5252

Prestigious fully serviced small offices and suites to let from 90-1,700 sq ft. Reuters, Topic and Teleroute lines available on request. IMMEDIATE OCCUPATION. Please contact for details and viewing.

LOCAL LONDON GROUP PLC

BEACONSFIELD OLD TOWN
(H&M/225)
PERIOD PROPERTY IN THE VERY BEST LOCATION
With walled north facing garden. Full planning consent for conversion to provide 3762 sq. ft. net of spacious OFFICE ACCOMMODATION with own bus parking car park. Ideal for owner occupier.
Freehold available. Repairs from principal or agents with named clients only.
Please apply to Bar No. 70559, Financial Times, 10 Queen Street, London, EC4P 4BY.

BURFORD GROUP PLC

£20,500,000

Transferable Loan Facility

For the acquisition of a portfolio of industrial, retail and office properties

Arranged and Managed by

Guinness Mahon & Co. Limited

Participants:

Bank of America NT & SA
Crédit du Nord, London Branch
Crédit Lyonnais
Guinness Mahon & Co. Limited
United Bank of Kuwait plc

Agent:

Guinness Mahon & Co. Limited



October, 1987

LONDON W.1

New Air-Conditioned Office Building

35,000 sq. ft. approx. with Car Parking

Freehold for Sale With Vacant Possession

Principals or Retained Agents only
Write Box No. T6570 Financial Times,
10 Cannon Street, London, EC4P 4BY

NORFOLK HOUSE

ST JAMES'S SQUARE SW1

A MAJOR FREEHOLD OFFICE INVESTMENT FOR SALE

Contact: Mark Creedon Smith

Hillier Parker
01-629 7666

77 Grosvenor Street London W1A 2HT

ON THE INSTRUCTIONS OF THE EDINBURGH INVESTMENT TRUST PLC
FOR SALE

3 CHARLOTTE SQUARE EDINBURGH
THE JEWEL IN THE CROWN OF EDINBURGH'S GEORGIAN
NEW TOWN AND SCOTLAND'S MOST PRESTIGIOUS

OFFICE ADDRESS

NET OFFICE AREAS:	Floor	Net Office Area
	Basement (3 offices)	1,423
	Ground (2 offices)	816
	First (4 offices)	1,180
	Second (4 offices)	876
	Third (2 offices)	797
		5,102 sq. ft.

It is considered that there is scope for increasing the net office area.
CAR PARK There are seven clear car parking spaces in the rear grounds.
VIEWING By arrangement with the sole agent

Montagu Evans

CHARTERED SURVEYORS
47 Melville Street, EDINBURGH EH3 7HL. Tel: 031-225 9941

SOHO SQUARE, W.1.

6,441 sq. ft.

FREEHOLD OFFICE BUILDING FOR SALE

Full V.P.

EDWARD CHARLES & PARTNERS W1
CHARTERED SURVEYORS
01 935 2811

Immediate Possession

OFFICES TO LET
5,000 Sq Ft
ELDON STREET EC2
IMMEDIATE V.P.
PHONE 01-248 3200

PANNEL (WAREHOUSING) LTD

WAREHOUSE PREMISES/STORAGE SPACE CURRENTLY AVAILABLE

NORTH LONDON (15,000 sq ft)
HEATHROW (50,000 sq ft)
SHORT/MEDIUM TERM CONTRACTS
HANDLING FACILITIES

Tel: (0753) 872858 or (0753) 882878 Telex: 47447

HARLEY STREET LONDON W1

PRESTIGE OFFICE BUILDING
Long Leasehold interest

FOR SALE 4200 SQ FT APPROX.

CONTACT REF N2

LEWIS & TUCKER

Tel: 01-629 5101 Fax: 01-493 3781

POLITICS TODAY: Malcolm Rutherford

Next move, next door?

Lawson for PM? A logo for Lord Young. A song for Brooke



Brooke should do the job well and may be more than a stopgap

THERE is a curious assumption, even among some of his best friends, that Mr Nigel Lawson has no interest in becoming Prime Minister. That has always seemed slightly dubious, if only on the ground that few politicians would be likely to turn down the job, were it remotely an offer.

After his handling of the BP issue, his Autumn Statement and his Mansion House speech this week, the question is again being asked: is the Chancellor a runner?

Certainly Mr Lawson would have all the aversion of a Coriolanus to going out and soliciting Coriolanus in, in fact, his favourite Shakespeare play. And one very much doubts if he would like to be leader of the opposition. Yet it must have crossed his mind that his abilities, and now his reputation, are at least as high as those of any of the other potential candidates for the succession.

Moreover, he might make a very good Premier, especially following Mrs Thatcher. Where she has been all busy and interested, directing the work of any Department thought not up to scratch, he would stand back and let Ministers get on with their departmental tasks, believing that once the economy was on the right lines, most other problems would begin to solve themselves. For the Chancellor is one of nature's conservatives: he does not see the case for unnecessary change. After the years of Thatcher radicalism, he could be the antidote: one of those consolidators long sought after by Mr John Biffen.

At present the question is not academic because there is no vacancy. One day there will be. In the absence of an obvious successor, the Party is stuck with a system of electing a leader that seems designed to ensure that a relative outsider will win. If there is no clear victor in the first ballot of Tory MPs, there is a second ballot into which new candidates may enter. If there is still no clear winner, there is a third ballot using the single transferable vote: that means allowing MPs to state their second preference. The process could be extremely messy, leaving

the least disabled but not necessarily most capable candidate to come out on top.

No-one is suggesting that Mr Lawson should throw his hat in the ring now, but he does himself no service by letting his friends put it about that he has no interest in the matter whatsoever. He should also quash the rumours that he has been on the Foreign Office, a post for which he is quite unsuited and which he has no interest in. He would find peculiarly tedious.

Consider a final point. Mr Lawson is now the one Minister whom Mrs Thatcher could not possibly sack. His enforced departure would send tremors through the City and the wider world. No other Minister in any of her administrations has been in such a position of strength.

THERE WAS a Ballad song about Mr Peter Brooke, the new Chairman of the Conservative Party, to the tune of the Halls of Montezuma. The first verse went: "I am the mighty Imperator Peter Brooke, And to my virtues I'm not blind, I have leadership, if not initiative, And a first rate fourth class mind." I had remembered the last line as being: "A fourth rate first class mind", an altogether sharper phrase that can be applied to a number of people one comes across, perhaps especially to civil servants of the older school.

Mr Tony Brown, the author of the words and new Dean of Mersey, is not so much a conservative, but a radical, that "first rate fourth class" was what he composed and that Mr Brooke did indeed get a fourth: a rare distinction.

Yet it is not at all true that the new Chairman was a leader that was designed to ensure that a relative outsider will win. If there is no clear victor in the first ballot of Tory MPs, there is a second ballot into which new candidates may enter. If there is still no clear winner, there is a third ballot using the single transferable vote: that means allowing MPs to state their second preference. The process could be extremely messy, leaving

among others, two previous Party Chairmen, Mr Cecil Parkinson and Mr Norman Tebbit. They thought that Mrs Thatcher would succeed in appointing Lord Young, but preferred some-

one else. Mr Brooke stated the M.M. admirably. Mr Brown says that by describing him as "Imperator" he really meant "genial". Mr Brooke is indeed very genial. He should do the job well and may be more than a stopgap.

Incidentally, the reports that described Mr Brooke's father, Henry, as a controversial Home Secretary, were a bit mellow. He was not so much a controversial as an accident-prone. Practically every single problem that could fall into a Home Secretary's lap fell into his. Without him, the provisions programme that was The Week End Was would never have been as lively.

Mr Tony Brown records in his diaries watching it at the Labour Party Conference in Brighton in 1963. "It was savage and brilliant in Paris, and the room was packed with Labour leaders and journalists. Not a single anti-Labour joke was made and even I wondered if it had gone too far."

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

There was an unusual fringe event. The design people at the CBI asked the Glasgow School of Art to organise a live seminar on the design of a Labour election poster. The first project put up was how to provide a new corporate image for the TUC. That was dismissed as inappropriate for a CBI conference. So the Manpower Services Commission stepped in at the last minute and asked for advice on a corporate image for the new Training Commission.

The UK Economy
The misleading events of October

By Andrew Britton and Simon Wren-Lewis

THE BRITISH Chancellor, Mr Nigel Lawson, has been quick to blame the Americans for the world crisis, but the stock market in this country was also extremely buoyant. Very real improvements in industrial performance and profitability were exaggerated by market exuberance and by political posturing around election time. Awakening from this dream is an unpleasant experience, but not necessarily, in the longer term, a damaging one.

The immediate effect of the stock market crash is the destruction of wealth. The value of that wealth may have been based on illusory optimism, but it was real enough to the individual owners of shares. Some individuals and firms will now be more concerned to save, less willing to consume or to invest than they were a few weeks ago. The scale of the effect is difficult to estimate exactly, but economic work has been done which helps to establish broad orders of magnitude.

Economic forecasters in France, Germany and other European countries seem to agree that the direct effect on spending this side of the Atlantic will be limited, perhaps almost negligible. Equities are only a small proportion of personal wealth in Europe. Even in the UK, where holdings of equities are more important, they are in the main still seen as long-term investments to be realised only in special need or on the death of the holder. The relationship between the stock market and the real economy is a slow response spread over several years. Even now, the impact on spending of the doubling in UK equity prices between 1982 and 1986 is not yet fully evident.

One cannot be so sanguine about the prospects for the American economy. As direct ownership of shares is more widespread, the effect on consumption is expected to be larger; our estimate is that consumption will be reduced by about 1/2 per cent next year. Prospects for the growth of the world economy next year must be less buoyant than they were a few weeks ago, but the change should not be exaggerated.

We still expect the growth rate of the main industrial economies to average over 2 per cent.

In some respects the prospect is actually improved. Interest rates are now less likely to rise, more likely to fall. The trigger for the stock market collapse was a realisation that the authorities in Germany and Japan seemed prepared to see a rise in their short-term interest rates, and the US would at least have to follow this if the dollar was not to collapse. If a general rise in world interest rates had occurred, a recession in the world economy would have been possible. However, the stock market fall has stopped that process in its tracks, and US interest rates have fallen back significantly compared to three weeks ago.

The German and Japanese authorities have been slower to react. Even the UK seems reluctant to move interest rates down decisively. The two 1/2 per cent cuts that have been made are probably insufficient. Public lectures about the American economy are no substitute for effective policy action at home.

Given a realistic judgement about US policy action, the dollar target under the Louvre accord was too high. We at the National Institute had therefore been expecting the dollar to fall again; hopefully this experience will reduce inflationary concerns in Germany and Japan and so bring their interest rates back down again. It is widely believed that interest rate influences demand, especially in America, but also in other industrial countries, including the UK.

So far as Britain is concerned, we are not revising down our forecasts of 2 1/2 per cent growth next year. Other forecasters, including it seems the Chancellor, are moving their forecasts down into line with ours. We have not shared the excessive optimism of white stock market over-valuation was a symptom. Clearly we must take account of the effects of the stock market fall on consumer spending and on exports. But there are other recent developments, of at least the same importance, that point in the other direction - towards stronger growth rather than weaker.

The news about the British economy has almost all been good for several months now. Output levels in the first half of the year have been revised upwards; the indicators for the third quarter are also encouraging. The message is a consistent one, whether one looks at the labour market with unemployment falling fast and vacancies rising, or at consumer spending, or at the trade statistics. Exports continue to rise strongly, as do imports. Higher imports may spell trouble on the balance of payments in the longer term, but they are also a pointer to growth in the home market. Rapid growth through 1987 almost ensures a considerable increase in 1988 year on year. The latest survey results from the CBI are particularly encouraging, suggesting higher investment spending and an increase in employment. All this provides the "evidence of October", but it is still relevant to the prospects for next year.

The British economy is a very open one. But our exposure now is to Europe rather than to America. The success of our exports over the past year owes much to the advantages of a stable and competitive exchange rate against European currencies. The rise of sterling against the dollar, and the continuing uncertainty surrounding that rate, have mattered much less. Indeed a higher rate of sterling against the dollar is helpful in reducing inflation and in maintaining the growth of real incomes in Britain.

A new factor has been introduced into economic forecasts and their uncertainty is increased. We are reassured, however, by the reports we hear or read from those most closely involved in British industry. They say, with one accord, that nothing has happened to justify reducing the value of their companies by a quarter or a third. That is surely correct, although one must add that the far greater rise of the preceding five years may not have been altogether justified either.

Andrew Britton is the Director and Simon Wren-Lewis is in charge of world economy forecasting at the National Institute of Economic and Social Research in London.

Electricity price rise

From Mr D. Goch
Sir, The Energy Secretary's announcement of forthcoming increases in the cost of electricity to the consumer has been related, inter alia, to the need to provide for the funding of future capital investment programmes. If there is any truth in this suggestion then it sadly perpetuates the policy of state intervention by which today's customers are made to pay for the capital funding requirements of future generations of consumers.

Given that many people would like to see an element of private sector investment in the electricity generating industry - but bearing in mind the post-BP risk of a full-scale sell-off of the generating stations - perhaps we ought to consider a different approach to privatisation. If the present assets of the CEGB were to be transferred to a new public limited company, with the Treasury holding the resulting share capital in the form of fixed dividend preference shares, then the private sector investment institutions and private investors could be invited to subscribe for a new issue of equity shares to provide the funding for future capital investment projects.

This capital structure would have the following advantages:
(1) New capital expenditure programmes would not have to be funded by the present generation of consumers.
(2) The requirement to compete for future funding in the capital markets would provide a much-needed spur to efficiency.
(3) It would avoid the break-up of the existing fully integrated generating and distribution system by creating pseudo-competing regional companies.
(4) The Government's retention of an ownership stake would mitigate the problems that might be encountered in the capital markets because of the nuclear stations. Logic dictates that they should remain within the overall generating system.
(5) Future private sector funding would take new investment programmes out of the PSBR balance.

Over the years, the private sector equity element would become more significant and it might, therefore, be necessary to give the state's shareholding a "golden vote" - but this is not creating a precedent.
Dorothy Goch,
4 Puddock Wood,
Harpenden, Herts.

A blow to manufacturing

From the Director General of the British Forging Industry Association
Sir, The shock announcement of an electricity price increase

Letters to the Editor

of between 8 and 9 per cent next April, and a probable further 6 per cent in 1989, will deal a body blow to UK manufacturing industry at a time when it has just begun to recover strongly after years of recession. It shows a total lack of appreciation of the need for a partnership between government, industry and the financial institutions, such as exists in Germany and Japan.

If a nationalised industry, or any industry for that matter, is running its affairs properly, it does not suddenly discover that its power stations are antiquated and that 19 new ones have to be built. Such projects are long term and have to be financed on an annualised basis. If a member company in my association put its prices up by 9 per cent in order to finance a much needed state-of-the-art project, its customers would very quickly tell it what it could do with its products, and source them elsewhere.

The Government and the nationalised electricity industry cannot escape responsibility for this major blunder. Mr Lawson says blandly "it's electricity is just one small part of industry's costs." Does he not know that in our most efficient and profitable steel works, electric arc furnaces account for 25 per cent of total costs? A special steel producer, such as United Engineering Steels, currently spends £25m in electricity; where does he imagine the additional £2m is to come from after the increase?

So, thank you Mr Lawson and Mr Parkinson for this latest piece of crass stupidity from a Government allegedly giving highest priority to containing inflation. It really does make one wonder whether those who took this decision care whether British manufacturing goes down the tube or not.

D. A. T. Pwll,
BPTA, Grove Hill House,
245 Grove Lane, Handsworth,
Birmingham, B20 2EP.

Tsarist bonds

From Mr J. Orbach
Sir, Those Russian bondholders who have received no interest for 70 years are no doubt grateful to receive 10 per cent of the face value of the bonds. I presume the Revenue will attempt to obtain capital gains tax despite the fact that there is a clear loss of 90 per cent of the face value and the total - in some cases - of the 3, 4% and 5 per cent interest originally

promised by the Russian Government.

A tax amnesty seems called for.
John Orbach,
Small's Farm,
Horsmonden, Kent

Piggott and the taxpayer

From Mr F. Deeks
Sir, I must take issue with Mrs M. Piggott when she states that Piggott "never stole from anyone" (Letters, October 31). Along with other PAYE taxpayers I presume that I have had to pay an extra share of the tax burden because of his dishonesty (and that of others of his ilk). I therefore have no doubt that he has stolen from me in this respect.
Mr F. Deeks,
27 Redcliffe Road,
Marlow, Bucks

Education in Hong Kong

From the Chief Information Officer, Hong Kong Government Office
Sir, With reference to a letter by Mr J. Schwartz about student needs in Hong Kong (October 27), a strong technical university with close links to industry is, in fact, in the process of being established. The Hong Kong University of Science and Technology is expected to have its first intake of students in 1991 and to have an ultimate intake of 10,000. The university will provide for teaching and research particularly in science, technology, engineering, management and business studies and assist in the economic and social development of Hong Kong. The establishment of this university, at a cost of HK\$2.2bn, has been cited by industrialists as a massive vote of confidence in the future of Hong Kong.

Education in Hong Kong is given the largest share of Government expenditure, representing 18 per cent of the annual budget. There is already an integrated and comprehensive system of technical education and industrial training to meet the needs of Hong Kong as a leading manufacturing and financial centre. There are also two polytechnics with about 20,000 students, eight technical institutes with more than 60,000 students and 11 industrial training centres.
Paul Brown,
6 Grafton Street, W1.

GND-supporting MPs

From Mr P. Mercer
Sir, Speaking about the new over-55s' appointment committee to the Commons Select Committee on Defence, Labour MP Mrs Joan Ruddock is quoted as saying: "Any suggestion that people should be excluded because of their political views is profoundly anti-democratic." The case for exclusion, however, has nothing to do with democracy.

During the election campaign, we were told that although the Labour Party was anti-nuclear, it nevertheless supported the North Atlantic Alliance. The GND, however, not only advocates one-sided disarmament but also withdrawal from Nato. If Labour's commitment to the Alliance is sincere, why is it so keen to support two staunch opponents to the committee?

During her time as CND chairman, Mrs Ruddock made her view absolutely clear when she attacked Peter Shore for "making oblique references to the Soviet threat without proper analysis as to why such a threat arises and how it might be dispelled" in her opinion, she told the Morning Star (September 7, 1984): "The threat comes from the United States having made Europe the front line in the conflict with the Soviet Union."

If Mrs Ruddock really does regard the Soviet Union as the threat to the UK, the Ministry of Defence has very good grounds indeed to be suspicious of GND-supporting MPs.
Paul Mercer,
The Bonnet Gate,
Loughborough, Leicestershire.

In support of the DTI

From Mr W. Barlow
Sir, I wish to correct a serious misquotation (November 4) of my speech at the CBI Conference on the subject of industry and Government relations. I did not criticise the Department of Trade and Industry. Indeed, quite the contrary. I was speaking in its support as I said: "In my opinion this needs a strong Department of Trade and Industry, which can fight cases for industry with the Treasury, (from whom so many contributions seem negative), the Foreign Office, the Departments of Environment, Energy, Transport, Education and the other great offices of state. It is really effective for us to be tackling all these different ministries individually as individual companies."

Thus my intention was to speak in support of the DTI. I certainly was not speaking in criticism of it.
William Barlow,
BICC plc, Devonshire House, Mayfair Place, W1X.

EXPORTERS
IMPORTERS
FREIGHT
FORWARDERS

On 1 January 1988 major Customs changes take place throughout the European Community:

- A new Integrated Customs Tariff will be introduced - You will have to reclassify all your exports and imports.
- A new Customs export and import form (the Single Administrative Document) will replace all current customs freight declaration forms in the European Community.

Avoid delays to your goods in the New Year. Ensure that your company is prepared for 1 January 1988 - Contact HM Customs and Excise now.

Write to:

Customs 88 Project, Dorset House
Stamford Street, London SE1 9PS

or telephone:

01-928 0533



HM Customs and Excise

see us at **money 87**

Stand No 1284

Matheson Investment Management Limited
A Member of the Matheson Group
No 3 St. James's Square, London SW1Y 4JB
Telephone 01-830 7888

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday November 6 1987

TRAVIS & ARNOLD

Timber, Building Materials,
Heating and Plumbing
Equipment for the
Construction and Allied
Trades.
25 Northampton 52424.

Telex recapitalises with \$878m junk bond plan

By JAMES BUCHAN IN NEW YORK

TELEX, the beleaguered US maker of computer peripherals and airline reservation systems, yesterday unveiled an \$878m recapitalisation plan as insurance against the failure of a higher offer from Mr Asher Edelman, the New York investor.

The recapitalisation plan, which will be wholly financed through debt, is the first unequivocal signal that the \$150bn market for low-grade corporate securities - known as junk bonds - is recovering from the blow delivered by the stock-market collapse last month.

Telex stock soared yesterday morning by 33% to \$74, in expectation that the plan, which has a theoretical value of \$20 a share, would succeed under the firm hand of Drexel Burnham Lambert, the powerful junk-bond issuer which is Telex's financial adviser.

"It shows Drexel can raise money in this market," said an arbitrator, or professional takeover speculator, in relief.

Telex, which is based in Tulsa, Oklahoma, said yesterday that the plan would be submitted to stockholders if Mr Edelman drops his \$65-a-share tender offer. A cloud has hung over the Edelman offer since Telex's stock tumbled in the October 19 crash.

Under the Telex plan, which will create one of the US's most highly indebted companies, stockholders receive \$45 in cash and a \$15 face-value junk bond for each share. They also keep the shares, although these will be greatly devalued by the transaction.

Telex said Drexel Burnham was confident it could arrange the en-

tire financing for the recapitalisation. Telex expected to cover the cash payout and the plan's expenses through bank borrowings of \$475m and the sale of \$300m in junk bonds.

New York's arbitrageurs responded with enthusiasm to the cash payout, but were uneasy about the junk bond on offer, which is of the class known to traders as a "cramdown".

The security carries a theoretical interest rate of 18.75 per cent, but pays the interest only in more junk bonds for five years. "It certainly isn't worth \$15," said one arbitrator.

Mr Edelman, who is believed to have bought about 8 per cent of Telex at prices under \$50 a share, said yesterday that he would extend his \$65-a-share offer until November 9.

CBS near to \$2bn sell-off to Sony

By Our New York Staff

STOCK IN CBS steadied yesterday after its sharp rise on Wednesday, but the market remained convinced that the broadcasting group was heading towards a sale of its record business to Sony, the Japanese electronics group.

CBS stock lost 5% to \$171 in early trading, after its dizzy 30% climb on Wednesday, in response to statements from both companies that the tortious negotiations were proceeding on the \$2bn sale. Sony rose 5% to \$228 in New York trading.

Mr Fred Meyer, CBS chief financial officer, said that agreement could be reached by the weekend, in time for a CBS board meeting on November 11. "I'd say there's a 70 per cent chance that it will be sold outright, and a 30 per cent chance that it won't," he said.

Sony, which has been pursuing the division as a complement to its consumer electronics business for more than a year, said yesterday that the price of \$2bn was not in dispute. The question at issue concerned the assets and liabilities to be included in the sale, the company said.

"It's a question of what kind of balance sheet we deliver," Mr Meyer said.

The CBS records division, which has contracts with such performers as Michael Jackson and Bruce Springsteen, reported operating profits of \$162m on sales revenues of \$149m last year.

Since the management coup that brought Mr Larry Tisch to power at CBS in September 1986, the group has been systematically raising cash through the sale of such non-broadcasting businesses as its magazine and book publishing operations and a music publishing division.

Ingersoll pays £60m for two British newspapers

By RAYMOND SNODDY IN LONDON

MR RALPH INGERSOLL, publisher of 38 daily and 150 weekly newspapers in the US, yesterday bought a controlling interest in the Birmingham Post and Mail and the Coventry Evening Telegraph newspapers of the UK from Yattendon Investment Trust. The deal is worth more than £60m (\$105m).

Mr Ingersoll, chairman and chief executive of Ingersoll Publications, said he believed he was the first US newspaper publisher to buy into the British industry on such a scale.

Mr Robert Iffie, chairman of Yattendon, said yesterday the two companies intended to invest jointly in other businesses in both the UK and the US. "We are seriously considering further investment in newspaper operations in Britain," Mr Ingersoll said.

The US newspaper publisher intends to set up a British-based holding company for his new interests. Mr Iffie, Mr Tim Morris, chairman of the Birmingham Post and Mail, and Mr Geoffrey Battman, Yattendon's finance director, would serve on the board.

The deal gives Ingersoll Publications, based in Princeton, New Jer-

sey, control of the Midlands-based Birmingham Post and Evening Mail, the Sunday Mercury and six associated weeklies in the Birmingham area, the Coventry Evening Telegraph, and a large free newspaper.

Ingersoll Publications, which has had financial backing from Drexel Burnham Lambert, specialists in "junk bonds," is a company noted for its cost-conscious style of management.

Mr Ingersoll said yesterday he intended to invest heavily in his Midlands acquisitions through promotion and the re-equipping of the Birmingham press hall.

The two companies have been talking to each other since the early 1980s but it may have been Mr Ingersoll's expertise on free newspapers which triggered a relationship.

The Birmingham Mail is facing intense competition from the Birmingham Daily News - Britain's only free daily newspaper.

Income surges at US insurer

By Deborah Hargreaves in New York

AMERICAN INTERNATIONAL, the New York-based international insurance group, yesterday posted a 31.7 per cent increase in its third quarter net income. Aided by a weaker dollar, the company said it had experienced exceptionally good foreign operating results.

Third quarter earnings rose to \$232m, or \$1.42 per share, from \$178m, or \$1.08 a share in the year-earlier period. Earnings per share figures were adjusted for a two-for-one stock split last November.

Revenues for the third quarter rose 21.8 per cent to \$2.78bn from the level a year ago of \$2.28bn.

In the nine months period, the company reported net income of \$674.6m, or \$4.13 per share, up from \$454m, or \$2.80 per share in the year earlier period. Results were boosted by capital gains of \$83m, a rise from the \$45.3m gained in the year-ago period.

In the first nine months of 1986 revenues rose to \$8.65bn from \$8.11bn.

Mr Maurice Greenberg, American International's president said the results reflected "excellent gains" in all areas of the company's business.

Worldwide life insurance operations reported a 19 per cent increase in operating income, largely due to the performance of the company's Far East business, he said.

However, competition in the property-casualty insurance market had put pressure on domestic rates. "The stock market decline, by all logic, should stem the downward trend in rates given that the industry, by one estimate, lost \$10bn in capital since mid-year," the company said.

The company said the stock market fall had not had a significant impact on its surplus or anticipated year-end premiums.

Operating income for the first nine months rose to \$218m from \$185.5m a year ago.

Shortfall in Trinidad borrowing

By CARLITE JAMES IN KINGSTON

TRINIDAD and Tobago's external borrowing programme of US\$220m for this year has fallen short of the target, forcing the Government to increase its exposure in the domestic money market.

Mr Selby Wilson, Trinidad and Tobago's junior finance minister, says that the Government is still \$50m short of its total projected borrowing for the year of \$303.2m, which includes \$65.2m on the local market. Local borrowing for this year has already reached \$88.7m.

Mr Wilson said: "The present adverse international financial market conditions have militated against the ability of the Government to source its planned external borrowing requirements. This has necessitated an increase in the amount originally targeted to be obtained from the domestic market."

Bankers in Port of Spain, the capital, say the difficulty in raising foreign loans is linked to a fall in the country's credit rating because of the deterioration of its oil-based economy over the past three years.

The Government was successful in raising \$48.8m through a private placement in Tokyo earlier this year, but it has since been forced to follow this with \$40.3m in a local flotation in March, and a central bank bond issue totalling \$27.7m in August.

The latest local offering of another \$27.7m in floating-rate notes has been oversubscribed, according to government officials. Mr Wilson said the funds which the Government was seeking from overseas would be found from export credit facilities of \$120.8m which were already in place, while another \$90m

was being sought on the Eurodollar market.

The loans are being sought to help reduce an expected increase in the fiscal deficit which reached \$777m last year, more than twice the deficit which had been projected by the Government.

The country's economy has been hit by the fall in oil prices, with the petroleum sector accounting for 80 per cent of all foreign earnings. Revenues from petroleum for last year, projected at just under \$1bn, fell to \$458m. Recurrent revenue for last year fell to \$1.45bn, one-third less than 1985 levels.

The failure to reach this year's borrowing target led the Government to cut projected spending in the first half of this year by 17.2 per cent below the corresponding period of last year.

National Steel profits at \$24m

By ANDREW BAXTER IN LONDON

NATIONAL STEEL, the three-year-old joint venture between National Intergrupp (NII) of the US and Nippon Kokan of Japan, has made good progress but still has to improve its productivity and management of technology, Mr Howard M. Love, NII chairman, said in London yesterday.

The equally-owned venture made net profits of \$24m in the first nine months of 1987, and will be "significantly in the black" for the year as a whole, said Mr Love. National Steel lost \$60m in 1986.

Mr Love is also chairman of National Steel, although Mr Kokichi Hagwara was appointed last year from Nippon Kokan to be president and chief operating officer. He said close to 70 Japanese were now

working in National's US steel plants.

He paid tribute to the superior talents of the Japanese in managing technology, and said that over the course of the joint venture the percentage of raw material ending up as finished product had risen by three or four points to 78 per cent. Even so, the venture still had to "get itself up" to the 80 per cent level achieved in Japan.

On productivity, the venture needed to reduce its man hours per tonne of steel produced from 4.1-4.2 to around three to maintain competitiveness. Achieving this would be equivalent to cutting the workforce by 2,500, a reduction which would be more than covered by the company's attrition rate over the next three to four years.

Under terms of the joint venture, Nippon Kokan has right of first refusal if NII wishes to sell or spin-off its stake, but Mr Love gave no indication, contrary to some analysts' expectations, that this was likely in the near future.

If the venture was doing well, he suggested, it might be better for NII's shareholders if the interest were retained.

Steel, in any case, now accounts for just 14 per cent of NII's assets against 80 per cent three years ago.

Following the \$400m sale in 1985 of First Nationwide Savings, and the \$343m purchase early last year of FudMeyer, a Denver-based pharmaceutical distributor, Mr Love said drugs distribution was now NII's core business.

Under terms of the joint venture, Nippon Kokan has right of first refusal if NII wishes to sell or spin-off its stake, but Mr Love gave no indication, contrary to some analysts' expectations, that this was likely in the near future.

If the venture was doing well, he suggested, it might be better for NII's shareholders if the interest were retained.

Steel, in any case, now accounts for just 14 per cent of NII's assets against 80 per cent three years ago.

Following the \$400m sale in 1985 of First Nationwide Savings, and the \$343m purchase early last year of FudMeyer, a Denver-based pharmaceutical distributor, Mr Love said drugs distribution was now NII's core business.

Under terms of the joint venture, Nippon Kokan has right of first refusal if NII wishes to sell or spin-off its stake, but Mr Love gave no indication, contrary to some analysts' expectations, that this was likely in the near future.

If the venture was doing well, he suggested, it might be better for NII's shareholders if the interest were retained.

Steel, in any case, now accounts for just 14 per cent of NII's assets against 80 per cent three years ago.

NEW ISSUE

23rd October, 1987

Canon
Canon Inc.

U.S. \$200,000,000

3 3/4 per cent. Notes 1993

with

Warrants

to subscribe for shares of common stock of Canon Inc.

Issue Price 100 per cent.

Nomura International Limited

Bank of Tokyo Capital Markets Group

Fuji International Finance Limited

Merrill Lynch Capital Markets

Banque Bruxelles Lambert S.A.

BNP Capital Markets Limited

Chase Investment Bank

Citicorp Investment Bank Limited

Crédit Commercial de France

Crédit Lyonnais

Credit Suisse First Boston Limited

Deutsche Bank Capital Markets Limited

Robert Fleming & Co. Limited

Goldman Sachs International Corp.

IBJ International Limited

Kleinwort Benson Limited

KOKUSAI Europe Limited

Mitsui Finance International Limited

Morgan Stanley International

The Nikko Securities Co., (Europe) Ltd.

Nippon Kangyo Kakumaru (Europe) Limited

Salomon Brothers International Limited

Sumitomo Finance International

Swiss Bank Corporation International Limited

Yamaichi International (Europe) Limited

This announcement appears on a matter of record only.

New Issue

23rd October, 1987

Canon
Canon Inc.

U.S. \$300,000,000

3 3/4 per cent. Notes 1992

with

Warrants

to subscribe for shares of common stock of Canon Inc.

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Fuji International Finance Limited

Goldman Sachs International Corp.

Mitsui Finance International Limited

Algemene Bank Nederland N.V.

Bank of Tokyo Capital Markets Group

Banque Bruxelles Lambert S.A.

Banque Indosuez

Banque Paribas Capital Markets Limited

Baring Brothers & Co., Limited

BNP Capital Markets Limited

Chase Investment Bank

Citicorp Investment Bank Limited

Crédit Commercial de France

Crédit Lyonnais

Credit Suisse First Boston Limited

Daiwa Europe Limited

Deutsche Bank Capital Markets Limited

DKB International Limited

Robert Fleming & Co. Limited

Kleinwort Benson Limited

Merrill Lynch Capital Markets

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

Morgan Stanley International

New Japan Securities Europe Limited

Nomura International Limited

Salomon Brothers International Limited

J. Henry Schroder Wagg & Co. Limited

Société Générale

Swiss Bank Corporation International Limited

Taiheiyo Europe Limited

Union Bank of Switzerland (Securities) Limited

Yasuda Trust Europe Limited

BANK JULIUS BAER

is pleased to announce
the opening of its Representative Office
in Tokyo.

Kiminori Masuda
Jean-Claude Stadelmann
Senior Representatives
Yurakucho Bldg, 6th Floor
1-10-1 Yurakucho
Chiyoda-ku
Tokyo 100
Telephone: (03) 214-7063
Telefax: (03) 214-5979
Telex: J 22279 BJBT

JB

Zurich · London · New York

This announcement appears as a matter of record only.



The Kyowa Bank, Limited

¥100,000,000,000

Euro Certificate of Deposit Programme

The undersigned are pleased to participate in
the above programme

Arrangers

Kyowa Finance International Limited
Shearson Lehman Brothers International

Dealers

Citicorp Investment Bank Limited
Kyowa Finance International Limited
Merrill Lynch Capital Markets
Shearson Lehman Brothers International

November, 1987

CREDIT LYONNAIS

has completed the acquisition of

**ALEXANDERS LAING & CRUICKSHANK
HOLDINGS LIMITED**

Crédit Lyonnais was advised in this transaction by
BARING BROTHERS & CO., LIMITED



The Coastal Corporation
US\$ 60,000,000
11 1/2% Senior Notes due June 30, 1992
Notice is hereby given that with immediate effect
the Paying Agent in Brussels shall change from
The Bank of Nova Scotia
to
Generale Bank
Rue Montagne du Parc 3
1000 Brussels
Belgium
Canadian Imperial Bank of Commerce
London Branch as Principal Paying Agent



NEVI
AS NEVI

DKK 600,000,000 Floating Rate Notes due 1993
Tranche B of DKK 300,000,000

In accordance with the provisions of the Notes, notice is
hereby given that, for the three months period, 6th
November, 1987 to 8th February, 1988, the Notes will bear
interest at the rate of 10.8125 per cent. per annum. Coupon
No. 5 will therefore be payable on 8th February, 1988 at
DKK 7058.16 per coupon for Notes of DKK 250,000 nominal.

Agent Bank
KANSALLIS-OSAKE-PANKKI
London Branch

INTERNATIONAL COMPANIES & FINANCE

GB-Inno in deal with JC Penney

By TIM DICKSON IN BRUSSELS

GB-INNO-BM, Belgium's largest
retailer, is negotiating the possi-
ble purchase of an "important"
stake in the European
operations of J.C. Penney, the
major US retailing group.
Both sides said last night that
the exact size of the participa-
tion was "still under discussion"
but GB-Inno commented: "Let's
say it will be more than 25 per
cent". The company added: "We
hope to make another an-
nouncement before the end of
the year."

GB-Inno, which reported a
turnover last year of BF11.5bn
(£2.2bn), plus sales of BF1.6bn
from franchise operations, has
roughly 8 per cent of the Bel-
gian retail market and under
tough local laws is effectively
prevented from opening new
stores.

Much of its recent expansion
has been outside Belgium -
notably in the UK, France, Italy,
Spain and the US - through fran-
chise and share participation
agreements in the do-it-yourself
and fast food fields. A deal with
Penney would be a welcome op-
portunity to increase its pres-
ence in the home market.
Penney's European
operations are all concentrated
in Belgium under the Sarna
(supermarkets), Sarna Lux (de-
partment stores) and Sarna
Star (hypermarkets) names.
There is also an important fran-
chise operation, which account-
ed for two-thirds of last year's
sales of BF2.7bn. Overall, Pen-
ney has 58 stores, against GB-In-
no's 200.
J.C. Penney has invested con-
siderable resources in Belgium

in the last few years and we see
an association with GB-Inno as
an important means of pursuing
the development of our
operations," Mr Thomas Fox, di-
rector of the company's Europe-
an operations, explained last
night.
He added that Penney's strategy
was to streamline its activi-
ties into the more profitable
segments and to concentrate on
its US home market, but he em-
phasised that a takeover was
not being discussed.
"We reached breakeven last
year, after several years of
heavy costs, and we are now
profitable," he explained.
Penney, which is the third largest
retailer in the US, came to
Belgium in the late 1980s hop-
ing to develop in other Europe-
an countries.

"Over the last 10 years the pic-
ture has not been so bright and
like others we have had to reas-
sess our plans," says Mr Fox.
"We've made decisions as to
where we think we can be most
successful in terms of profit-
able sales," a Penney official
said in the US. "We felt the Bel-
gian operations did not belong
in our new organisation."
The official added the Bel-
gian operations have not been
profitable for Penney.
Last week Penney announced
it was dropping its less profit-
able home electronics, sporting
goods and photographic lines
and expanding its women's ap-
parel lines.
Penney has been moving for
some time to de-emphasise
hard goods in favour of the
more profitable apparel lines.

Cash crisis for Oslo property group

By Our Oslo Correspondent

THE OSLO bourse yesterday
suspended trading in Bugge
Elendom, the Norwegian prop-
erty company which holds as-
sets in central areas of London,
Oslo and Copenhagen.

The suspension follows li-
quidity problems caused by a
delay of payments by major
shareholders, subscribing to
Bugge's NKr125m (£24m) rights
issue launched in September.

Wednesday was the deadline
for payments to be made for the
rights issue which was, accord-
ing to Bugge Elendom, original-
ly substantially oversubscribed.
The company also said it was in
merger talks and that this has
contributed to uncertainty.

Earlier this week Bugge is-
sued a statement denying eco-
nomic problems. But yesterday
it notified bourse officials of the
delay on payments for the
rights issue and advised sus-
pension of trading.

Bugge's shares, valued at
NKr128 apiece and which have
seen a high of NKr275, were
trading on Wednesday at
NKr61.

The company's president, Mr
Niels A.B. Bugge, currently in a
London hospital, owns some 50
per cent of the company. A fur-
ther 14 per cent of Bugge shares
are distributed among other
company members.

The company said that it
could now be faced with bank-
ruptcy although it added that it
could sell assets to raise the
capital it needs. At the end of
October it had an operating loss
of NKr58m.

The Oslo bourse has accused
the company of providing "in-
correct" information about its
financial status.

Bugge claims substantial in-
vestments in shares and bonds
with an estimated value of
NKr648m. It is involved in the
development of property in the
Docklands area of London, the
acquisition and rehabilitation
of new property in Oslo, and
property in Copenhagen.

Second-quarter dive at KLM

By LAURA RAHN IN AMSTERDAM

KLM, the Dutch airline, said its
earnings tumbled by 17 per cent
in the second quarter of the cur-
rent year because of the weaker
dollar, fierce competition and
costlier fuel.

The outlook for the rest of
1987-88 is so uncertain that the
Netherlands' flag carrier said
no forecast could be made for
full-year profits. The prospects
for an even lower dollar and
continued competition on cru-
cial North Atlantic routes ap-
parently are cause for caution.
KLM, which is 30 per cent

owned by the Dutch Govern-
ment, said that because of the
stock market crash it was post-
poning a previously planned is-
sue of non-voting shares to be
launched in Switzerland. The
uncertainty of such an offering
apparently figured in KLM's
cautious comments.
Net income amounted to Fl
143m (£74.5m) in the first quar-
ter, down from Fl 173m a year
earlier despite more traffic and
higher occupancy rates. Cheap-
er air fares, especially between
Amsterdam and the UK and the

US, plus the weaker dollar all
squeezed income, which
slipped by 1 per cent to Fl
1.48bn from Fl 1.5bn.
More expensive fuel helped
lift overall costs by 1 per cent to
Fl 1.35bn from Fl 1.34bn.
For the first half of the fiscal
year profits edged up by 4 per
cent to Fl 283m, mostly thanks
to the sales of aircraft in the
first three months. Total reve-
nue slipped by 1 per cent to Fl
2.83bn while overall costs
dropped by the same percent-
age to Fl 2.63bn.

Support for Norwegian banks

By KAREN FOSSLI IN OSLO

NORWAY'S central bank at-
tempted yesterday to dispel ru-
mours that the country's banks
are suffering a liquidity crisis.
It reiterated its commitment
of support in a statement saying
it is prepared to implement spe-
cific provisions to secure the li-
quidity of the country's banks.

Den norske Creditbank (DnCB),
Norway's largest bank, and the
central bank have been flooded
with queries from creditors
regarding the solvency situation
of the DnCB and other Norwegian
banks.

Norway's banks have been
hard hit by the worldwide stock-
market crash and are now left to
seek a strategy which is likely to
increase to base future earn-
ings growth on traditional bank-
ing activities. Banks have also

suffered from the weakness of
the dollar and their heavy expo-
sure to foreign currency deal-
ings.

Mr Trond Reinertsen, man-
aging director of the Norwegian
Bank Association, said that for
DnCB the situation is special due
to the large share portfolio
losses which it will incur. Ear-
lier this week DnCB suspended
one of its brokers, pending in-
vestigation, for overtrading
"way beyond" his limits on the
bank's behalf.

Mr Lars Bragstad, a DnCB
official, said that there are
three sets of limits governing
trading, including an overall
limit for investments, limits for
each market, and limits for each
individual company in which
investment is made. "It seems
that all three limits have been

substantially exceeded," he
said.
DnCB expects to suffer overall
losses of more than NKr200m
(\$35m).

Norway's banks have as much
as 2 per cent of their assets tied
up in stocks as well as stakes in
many of their subsidiaries
which also have been hard hit
by the stock market crash.

Mr Reinertsen said that the
banks began the year with a
strong income stemming from
strong transactions in share
growth. "This may now be wiped
out," he said.

DnCB denied rumours that ma-
jor foreign banks have
suspended their dealings with
it and that major losses are also
expected from foreign currency
dealings.

KOP seeks FM1.26bn by one-for-four rights

By OLLI VIRTANEN IN HELSINKI

ONE OF Finland's two leading
banks, Kansallis-Osake-Pankki
(KOP), plans to raise FM1.26bn
(\$300m) through a one-for-four
rights issue.

The issue consists of 30.75m
new shares, including 2m unre-
stricted shares and warrants for
2.8m unrestricted shares. The
shares are priced at FM41
which compares with FM35 for
unrestricted and FM24 for re-
stricted shares on the Helsinki
bourse on Wednesday.

The rights issue will raise
KOP's total capital by FM 615m
to FM 2.86bn, making it the big-
gest company listed on the Hel-
sinki stock exchange. The sub-
scription period will start on

November 30.
KOP's timing might be de-
scribed as unfortunate given the
setback to world stock mar-
kets, but Mr Jaakko Lassila,
KOP's chief executive, believes
the stock market crash is now
in a transitional phase and
prices will go up again.

The proposed issue, he said,
will hopefully contribute to
confidence building. He be-
lieves investors will absorb the
issue because "there is constant
shortage of materials on the
Helsinki bourse."

The proceeds will be used to
improve capital adequacy and
reliability. These are satisfac-
tory according to Mr Lassila.

Solvay sells Unitecta operations

By Our Brussels Staff

SOLVAY, the major Belgian
chemicals group, announced
yesterday that it has sold the
paint, rendering and varnish ac-
tivities of its German subsidiary
Unitecta Oberflächentechnik zu
Sigma, a subsidiary of the oil
company Petrofina.

The price of the deal was not
disclosed but Solvay said the
business had an annual turn-
over of DM100m (\$58.5m).

The disposal, Solvay added,
had been made as part of the
company's continuing restruc-
turing programme. Unitecta did
not fit into any of Solvay's five
sectors.

LIBRA BANK PLC
(Incorporated in Great Britain)
US\$100,000,000
Subordinated Floating
Rate Notes due 1995
Notice is hereby given that the Interest
Rate on the Notes for the period
6th November 1987 to 6th May 1988 is
7 1/2% per annum. On 6th May 1988
the Coupon Amount will be US\$24.97
per US\$100,000 of Notes and US\$25.00
per US\$100,000 of Notes.
Bancque Paribas, London Branch
Agent Bank

Brasilvest S.A.

Net asset value as of
30th October, 1987
per CZ Share: 59,692.64
per Depositary Share:
US\$9,905.91
per Depositary Share:
(Second Series)
US\$9,302.26
per Depositary Share:
(Third Series)
US\$7,916.37
per Depositary Share:
(Fourth Series)
US\$7,393.34

Four Italian flotations postponed

By Alan Friedman in Milan

SIGE, the Milan-based invest-
ment bank which is one of Ita-
ly's most important lead-man-
agers of new share issues, has
announced that given the vola-
tile state of equity markets it
will postpone four company de-
buts on the Milan bourse.

The unusual move by Sigè,
which is part of the IMI state
credit institute, has come as a
shock to many brokers and
bankers in Milan. The decision
was announced by Mr Giorgio
Marfotti, director-general of
Sigè. It will affect issues that
would have tapped the market
for a total of L398bn (\$238m) of
new funds.

Mr Marfotti explained yester-
day that this decision was
taken "in the interest of the
market and in order not to
flood the market with too many
issues at a delicate moment."

The move by Sigè assumes
unusual importance because it
has led most of the important
new share issues on the Italian
stockmarket over the past two
years, including the debut of
Benetton and that of Coman,
the Fiat factory automation
subsidiary.

The Sigè decision is bound to
affect the fate of several other
company issues due to be lead-
managed by other investment
banks.

It could also affect the
much-awaited decision by the
Montedison chemicals concern
on a L1,000bn rights issue
which is meant to help finance
the group's recent acquisition
of a share stake in Rimont, the
U.S. polypropylene company. A
decision on the Montedison
rights issue could be an-
nounced at a shareholders'
meeting in Milan next Tues-
day.

ISS acquires German group

By Henry Barnes in Copenhagen

ISS, the Danish international
cleaning and security system
group, has acquired Rosen-
maeller Gabaundersenigung,
of West Germany.

The acquisition will place
ISS among the five largest
cleaning companies in Ger-
many.

BankAmerica Corporation

(Incorporated in the State of Delaware)

U.S. \$400,000,000

Floating Rate Subordinated Capital Notes Due 1997

Holders of Notes of the above issue are hereby notified
that for the final interest Sub-period from 9th November,
1987 to 7th December, 1987 the following will apply:

1. Interest Payment Date: 7th December, 1987
2. Rate of interest for Sub-period: 7 1/2% per annum
3. Interest Amount payable for Sub-period: US\$286.81 per US\$50,000 nominal

Total Interest Amount payable: US\$969.10 per US\$50,000 nominal

The following interest Sub-period will be from 7th
December, 1987 to 7th January, 1988.

Agent Bank
Bank of America International Limited

These securities having been sold, this notice appears as a matter of record only.

New Issue



AMERICAN BARRICK RESOURCES CORPORATION

\$116,250,000

3,000,000 Common Shares
(Represented by Instalment Receipts)

The undersigned have agreed to purchase 1,300,000 of the above Common Shares.

Merrill Lynch Canada Inc. Goldman Sachs Canada Inc.

The undersigned have agreed to purchase 1,300,000 of the above Common Shares.

Merrill Lynch International & Co.

Goldman Sachs International Corp. James Capel & Co.

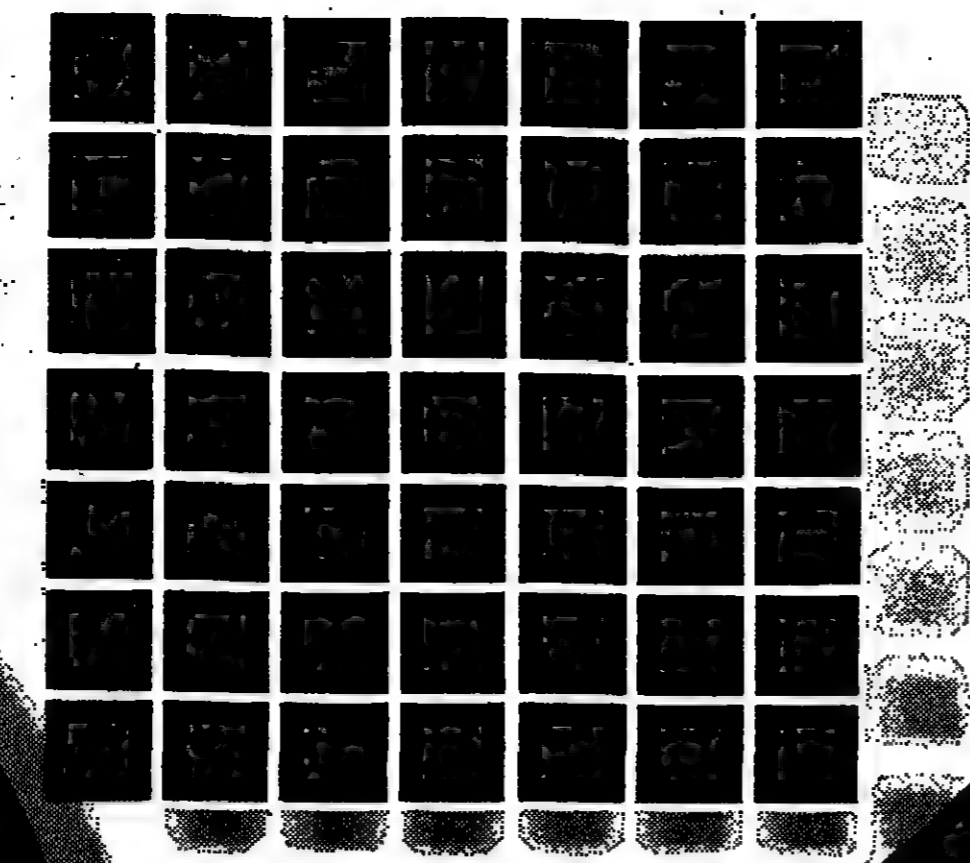
October, 1987

سكزا من الامم

RATE CUTS
igger
terling

nding agen

ID SERVICE



Ideas bring growth to finance.

The birth of Ferruzzi Agricola Finanziaria.

In October 1985 Gruppo Ferruzzi set out its plans to create one of the biggest agro-industrial groups in the world, to extend its activities into new sectors and to expand into new continents. In less than two years Gruppo Ferruzzi has become the largest agro-industrial group in Europe and the third largest in the world. Furthermore it is the second private-sector industrial conglomerate in Italy with an aggregate turnover of over 18 billion dollars. The Group's idea to use agricultural products for industrial and energy uses, and its related programme for environmental protection is a focal point of international debate. The driving force behind this extraordinary expansion has been Agricola Finanziaria, the Group's holding company. Its success on the financial market has allowed it to make large-scale investments such as the acquisition of CPC Europe, leader in the starch sector, the acquisition of a controlling interest in Montedison and Béghin-Say, and the restructuring of the sugar sector which makes the Group Europe's leading sugar producer. The market capitalization of the Agricola Finanziaria group amounts to about 20 billion dollars.

And now it is time for it to grow even more. Agricola Finanziaria is increasingly identified with Gruppo Ferruzzi and so Ferruzzi Agricola Finanziaria has been born.

All the activities of the Group will converge in the new holding company so that in due course Ferruzzi Agricola Finanziaria and Gruppo Ferruzzi will form a single entity. Its theatre of operations is increasingly worldwide.

Ferruzzi Agricola Finanziaria will span five continents.

Its widely diversified activities follow a single vertical structure from agriculture to services, from trading to agro-industry, from chemicals to the advanced services sector and finally to numerous industrial and financial shareholdings. Ferruzzi Agricola Finanziaria will be quoted on all the main European Stock Exchanges including London and Paris. This will lead to a broad national and international shareholder base in line with the Group's importance. The cycle is in constant movement: two years ago ideas brought growth to finance. Today

Finance is bringing growth to ideas.



**Ferruzzi
Agricola Finanziaria**

UK COMPANY NEWS

PATHFINDER STRESSES HIGH RISK OF INVESTMENT

Eurotunnel prospectus forecasts big returns

BY RICHARD TONKINS



Eurotunnel, the Anglo-French consortium building the Channel Tunnel, yesterday launched the pathfinder prospectus for its flotation with figures holding out the hope of big returns for people who buy its shares.

The pathfinder prospectus, which paves the way for the launch of the share issue in 10 days' time, forecasts that investors buying units (each comprising one English share and one French one) at an initial 350p might hope to see their value rise to £24 in 1993, by which time the company will have begun paying dividends.

This is because the dividend yields themselves will be so high. An initial gross yield of 16 per cent is forecast for 1994, rising to 34 per cent in 1995 and 60 per cent in 2003.

However, the prospectus bears a clear warning to would-be applicants that an investment in Eurotunnel will

carry a significant degree of risk.

"While the directors consider that the assumptions on which the financial projections are based are reasonable, it must be realised that the reliance to be placed on them is a matter of judgment," it says.

As announced in Paris the day before, there will be two types of units for private investors in the project - one likely to appeal more to the British investor and the other more to the French.

The biggest incentive for the British will be travel perks ranging from one return trip for a car-load of passengers for the person buying 100 units to an unlimited number of trips until 2042 for the person buying 1,500 units.

However, investors will have to pay £10 a year (rising with inflation) for every year in which

they use the perk, plus a £1 fee for each single trip. The perk is also only for car-drivers using the shuttle service, so foot passengers using ordinary trains will not receive any benefit.

The other incentive is the warrants which will be attached to each unit. Ten of these will entitle the holder to subscribe to one unit at a fixed price between 1990 and 1992. These are a common feature of French privatisation issues.

About 230m units are expected to be sold at 350p each, though neither figure has yet been finally fixed. This will raise £770m in new equity, which when added to the equity issued in the earlier private placements will produce an initial market capitalisation of about £1.1bn.

Institutional investors who took part in last year's placing paid in effect £1.20 plus FFR12, or about 240p, for each unit, so the 350p issue price suggested yesterday gives them a premium slightly higher than the 48 per cent forecast.

Mr Alastair Morton, the consortium's UK co-chairman, said that nearly 500,000 inquiries had been received by the Eurotunnel share information office and had continued at a steady rate in spite of the stock market crash.

Mr Bob Boas of Warburg Securities, one of the UK advisers to the issue, said that he was confident that the issue would be fully underwritten.

Global Group rises 16%

Global Group, the USM-quoted meat and meat products company, increased pre-tax profits by 16 per cent from £279,000 to £323,000 for the year to May 31 1987.

Turnover rose from £24.82m to £25.7m. The directors proposed an unchanged final dividend of 1.75p giving a total of 3p (2.75p). After tax of £165,000 (£162,000) and minorities of £13,000 (nil),

earnings per 10p share rose to 8p (4.9p).

The directors said that trading in the group's wholesale activities was exceeding all levels of the previous year and margins were very satisfactory.

At the end of September the group acquired 50.01 per cent of Ken Read and it was anticipated that it would be taking up the balance before the end of 1987.

Mr Alastair Morton, the consortium's UK co-chairman, said that nearly 500,000 inquiries had been received by the Eurotunnel share information office and had continued at a steady rate in spite of the stock market crash.

Mr Bob Boas of Warburg Securities, one of the UK advisers to the issue, said that he was confident that the issue would be fully underwritten.

Windsmoor rises 12.5% to over £1m despite poor weather

by Alice Rawsthorn

WINDSMOOR, the women's wear fashion house, yesterday announced a 12.5 per cent increase in pre-tax profits to £1.03m for the first half of the financial year on turnover which rose by 15.5 per cent to £23.4m.

Like many other fashion groups Windsmoor was affected by the sluggish pace of clothing sales during the spring and summer, when retail trade was hit by the dismal weather.

Mr Brian Green, chairman, described the pace of sales in August and September as "steady", but said that business had picked up in recent weeks. Last month the company expected sales growth of 23 per cent.

In the six months to August 1, operating profits rose to £1.03m (£1.1m) and the contribution from Windsmoor's overseas associate increased to £58,000 (£58,000). Interest charges rose to £165,000 (£231,000) and taxation to £275,000 (£233,000).

Earnings per share increased to 2.58p (2.53p), the board proposed to pay an interim dividend of 1.25p.

Mr Green said that profits growth had been hindered by the increase in interest payments due to the high level of stock carried by the company. The management team is now tackling this problem.

Windsmoor manufactures and retails two brands of women's wear - the synonymous Windsmoor label and Planet - in almost 600 concessions within department stores throughout the UK. It has just embarked upon a joint venture, Golden Rifle, with an Italian manufacturer of casual wear.

This spring the company will open its first High Street shops, in St Albans and Cheltenham, in order to test the concept of running independent retail units. Next autumn it will introduce a new women's wear label for "petite" women.

Phillips and Drew, stockbrokers to Windsmoor, expect the company to produce pre-tax profits of £2.4m, with earnings per share of 16p, for the full financial year.

Alice Rawsthorn on a famous name's diversifications

Learning the retailing game



Windsmoor over the bomb sites of Britain

FOR COMPANY chairman, taking their business to the stock market is supposed to be one of the best experiences of their lives. For Mr Brian Green, chairman of Windsmoor, it was one of the worst.

Only a few days after the flotation a year ago it emerged that two employees of Chase Manhattan, then brokers to the company, had "staggered" the issue. At no time was it suggested that Windsmoor had been associated with the exercise and it swiftly dropped Chase Manhattan as its brokers.

Nevertheless the adverse publicity around the issue depressed the share price for several months and cast a cloud over the flotation. For Mr Green it was "the most painful experience of my life".

The flotation is now no more than a painful memory and Windsmoor is entrenched in its plans for the future. The company is already established as one of the best known women's wear manufacturers in Britain. Over the next year plans to diversify into new market niches and into the High Street, as a retailer.

Windsmoor dates back to the early 1950s when three brothers - Cecil, Lionel and Maurice Green, the sons of a London tailor and uncle of the present chairman - established a business to manufacture ladies' coats. During the war Windsmoor retrenched into utility wear. After the war it embarked upon an extravagant advertising campaign, emblazoning the legend "Look Your Best in

Windsmoor" over the bomb sites of Britain.

Windsmoor flourished in the 1950s, when it diversified into dresses, suits and separates. In the early 1960s it opened its first concession within a department store.

But in the 1960s and 1970s Windsmoor fell victim to its own success. The company's name was associated so strongly with the 1960s - too strongly for the taste of the liberated young women of the Swinging Sixties - that its clothing was seen as dull and outdated.

Nevertheless the business continued to grow. It started to source part of its clothing overseas: through a joint venture in Hong Kong and from contract manufacturers in Czechoslovak-

is and Italy. It also opened new concessions and, in the late 1970s, introduced Planet, a new collection for career women.

Three years ago Windsmoor decided to enliven its flagging brand. Since then it has attempted to steer a delicate balance between attracting new, younger customers with more stylish designs without losing its older, traditional clientele.

So far Windsmoor has succeeded. It has done so through unashamed "cheating" - by making suits with both chic, short skirts and longer lengths for the more mature customer - and with a witty advertising campaign depicting Windsmoor clothes as blatant copies of those of designers like Chanel.

Windsmoor now sells through more than 500 department store concessions and Planet through almost 200. Although there is scope for a little further growth, the two labels have almost reached the limits of their markets in department stores.

Next autumn Windsmoor plans to introduce a new range of fashionable clothes for small women under 5'5". The new label - as yet unnamed - will be introduced initially to 35 concessions and should be extended thereafter.

The cost of establishing a new range is relatively low. The company has recruited a new designer, pattern cutter, fabric selector and manager for the project, but production and distribution will be handled through its existing operation.

It is also diversifying into retailing. It recently opened the

first outlets for Golden Rifle, a joint venture with an Italian casual wear manufacturer.

Early next year the first Windsmoor shops will open. The company is convinced that there is an opportunity in the High Street for a retailer to fill the gap between the multiples like Next and Richards and the designer shops. Yet it perceives its retail venture as an experiment.

In the past few months Windsmoor has strengthened its management team in order to prepare for this expansion. Until recently Mr Brian Green, originally an accountant, acted as both finance director and chairman. Mr John Whittle has now been drafted in as finance director. The company has also appointed a production director, Mr Ian Aitken.

Mr Green is now keen to increase the company's efficiency. Improving stock control is a priority. Traditionally Windsmoor has carried high levels of stock, but in the first half of this year stocks rose to unhealthily high levels.

Windsmoor has already begun to tackle the levels of fabric stock for manufacturing. Over the next few months it will invest in improved distribution systems and data capture within the concessions. The benefits of this exercise should filter through to profits next year.

As Mr Green put it: "It is often easy to forget that originally we were manufacturers and that manufacturing is our area of expertise. As retailers we still have a lot to learn."

Westbury advances to £5.3m

BY NICKY TAIT

Westbury, the Midlands and West Country householder, yesterday reported an 87 per cent increase in pre-tax profits to £5.3m during the six months to end-August, on turnover 66 per cent higher at £23.6m.

The figures, however, are distorted by the acquisition of the Midlands housebuilding division in October 1986, which Westbury bought from Christian Salverson for £12.6m cash.

The Midlands contribution is excluded from the first half figure in 1987, and yesterday the company declined to give any breakdown of its first-half contribution this year. Analysts were yesterday estimating that the underlying rate of organic profit in the business unit following the Midlands purchase.

Just over 1,100 units were completed and the figure for

the full year is expected to be 2,040; had results for Midlands been included in the comparative 1986 figures, the increase would rise to 34 per cent.

Yesterday, chief executive Richard Fraser - part of the team which organised the management buyout of Westbury three years ago - said that the company was monitoring its business extremely carefully in the light of the current turmoil on financial markets, but so far saw no signs of any impact on its segment of the housing market.

During the first half, Westbury average selling price rose by around 21 per cent to £48,000, an underlying increase of 15 per cent once allowance is made for shift in the business mix following the Midlands purchase.

Just over 1,100 units were completed and the figure for

the full year is expected to be 2,040.

The tax charge in the first half is £1.84m - 35 per cent is the expected rate for the year - and the interim dividend goes up from 1.5p to 1.75p.

comment

Under current circumstances, the downside to Westbury is that it is a pure housebuilder - unaffiliated even by renovation work, let alone aggregates, time share and so on. The mitigating factors are that 50 per cent of output is for the first-time buyer market, and the South-east accounts for a minimal part of its workload or land bank. Moreover, the average selling price remains relatively modest and excursions upmarket - like the 8-house development at Penarth, going for £200,000 a piece - are extremely rare. That bias may not make current margins the most exciting in the sector, but if recession really bites, the company is clearly vulnerable. But, with mortgage rates coming down and perhaps £12.5m-£13m pre-tax virtually secured for the full year - admittedly helped to the tune of £5m by a property profit in Cheltenham - the prospective p/e has fallen to under 8. That may be a slight premium to some of the "national" groups, but it still looks a nice unfair given Westbury's defensive merits within the sector.

Greene King hits at Elders stake

BY CLAY HARRIS

Greene King, Suffolk brewer, yesterday denounced as "undesirable and unacceptable" the shareholding in the company by Elders Ltd, and any attempts by the Australian brewing, retail and financial services group to use it to gain trading advantages.

Elders, owner of the Courage group in the UK, has increased its stake to 8.25 per cent. Greene

King shares, which have outperformed the FT All Share index by 40 per cent since the stock market crash because of Elders' buying interest, yesterday shed 1p to 157p.

In a letter sent to shareholders, Mr John Bridge, chairman, said Greene King continued to believe that selling Elders' shares would not be in its company's best interests. Elders declined to comment.

US buy for Electrocomponents as profits rise 13% to £20.5m

BY PHILIP COGGAN

Electrocomponents, the electrical distribution group, announced an acquisition in the US together with interim pre-tax profits up 13 per cent yesterday.

Gillette is selling Misco, a computer supplies distributor, to Electrocomponents for around £11m. Misco has half its sales in the US with the rest in the UK. West German electronics - however the European operations had operating losses of £1.4m in the first nine months of 1987.

US acquisitions, after being fashionable for the first nine months of the year, have become less popular in the wake of the stock market crash and doubts about the health of the American economy.

But Electrocomponents, apart from pointing to record orders in its existing US businesses, is confident that its strategy is correct. Computer supplies is a growing area, it believes, and Misco is not just US-based. In addition, the fall in the dollar means that Electrocomponents was able to buy Misco more cheaply than it could have a few months ago.

Misco's UK and West German operations are now approaching breakeven and the Italian business should be out of losses by the end of 1988.

Electrocomponents' pre-tax profits for the six months to September 30 were £20.5m (£18.1m) on sales 18 per cent higher at £134.8m (£114.6m). Overall, margins were down slightly because of the addition of UK Lighting which is traditionally stronger in the second half.

US Components, the UK distributor which constitutes some 80 per cent of turnover, increased sales and profits at around the same rates as last year. However, the company reported that the West German market remained weak.

After tax of £7.4m (£5.4m), earnings per share were 6.5p (5.74p). The interim dividend is being increased to 1.27p (1.1p).

comment

Investors need little excuse to sell at the moment, and Electrocomponents' bold US purchase was enough reason to push the shares down 3p to 157p, despite

the overall market recovery. Strategically, the Misco purchase makes sense; but anything with a US slant, even if it is only 50 per cent of sales, is likely to be unpopular in current conditions. Distribution is a volume sensitive business and any economic downturn would undoubtedly hit Electrocomponents; but the company has a reputation for good management and the early 80s slump saw merely a slowdown in the company's growth rate rather than a decline. Nevertheless, analysts were cautiously shading their forecasts down yesterday, assuming £16m pre-tax for the full year. The shares are on a prospective of just under 11.

Midsummer sells stake in Boddington

By Lisa Wood

Midsummer Leisure, the growing discotheque, public house and snooker club business, which last month made an unsuccessful takeover approach to Boddington, has sold its 2.1 per cent stake in the Manchester-based brewer.

Midsummer said yesterday that the sale had realised about £2.7m. The cost of the shares, built up during the summer, was about £2.8m. Midsummer said the proceeds would be used to offset its bank indebtedness.

Midsummer, in its informal approach, had proposed to offer 7 of its shares for every 15 Boddington. No cash alternative was offered. Boddington, which was some 600 public houses, rebuffed the approach.

YORKSHIRE BANK Base Rate

Yorkshire Bank announces that with effect from close of business on WEDNESDAY NOVEMBER 4 1987 Base Rate is reduced from

9 1/2% to 9%

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Yorkshire Bank Base Rate will be varied accordingly.



Yorkshire Bank

Head Office
20 Merton Way, Leeds LS2 8NZ

This announcement appears as a matter of record only

November 1987

electrocomponents plc

has acquired
the MISCO operations in Europe
and
MISCO Inc.
from The Gillette Company

COUNTY NATWEST
initiated this
transaction and acted as advisers to
Electrocomponents plc

County NatWest International Limited
100 Wall Street
New York
NY 10005
Tel: (212) 440 8300

County NatWest Limited
Drapers Gardens
12 Throgmorton Avenue
London EC2P 2ES
Tel: 01-382 1000

© The NatWest Investment Bank Group

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Amber Industrial Int	3.25	Jan 5	3	-	20
Brit Borneo Pet Int	7.5	Jan 5	7	-	22.5
Dals Simpson Int	6.35	Jan 4	5.25	8.5	7
Electrocomponent Int	1.27	Jan 1	1.1	-	3.7
Five Oaks Inv Int	1	Jan 1	nil	1	nil
Gleyst Group Int	1.5	Jan 1	1.5	-	2.7
Global Group Int	1.75	Dec 23	1.75	3	2.75
Goldberg (AJ) Int	1.32	Feb 19	1.15	-	4.75
Gramplan TV Int	0.43	Jan 8	0.43	-	2.3
Hampover Druce Int	1.35	Dec 18	1.35	-	3.85
John J. Lee Int	0.63	Dec 11	0.5	-	1.5
Miller (Sam) Int	0.5	Dec 4	0.5	-	1.25
Westbury Int	1.75	Jan 20	1.5	-	4.7
Windsmoor Int	1.25	Dec 11	-	-	2
Yorkshire Int	2.75	-	2.75	-	7.55

Dividends shown pence per share not except where otherwise stated. *Equivalent after allowing for scrip issue. *On capital increased by rights and/or acquisition issues. *USM stock \$Un-quoted stock. *Third market.

UK COMPANY NEWS

Storehouse attack on Benlox demerger bid

BY NIKKI TAIT

Storehouse, the giant retail group which takes in BHS, Habitat and Richards shops, yesterday launched a hard-hitting attack on the "demerger" bid from the relatively tiny investment dealing and civil engineering company, Benlox Holdings, describing it as "ill thought-out" and "carrying untold risks for Storehouse shareholders".

The Benlox offer document, claims Storehouse's defence document, "is riddled with inaccuracies and is remarkable for its misunderstanding of Storehouse group."

Benlox is proposing that the Storehouse empire should be broken up into six separate operating groups - covering the different retail chains, the design function and the property interests - which would then be separately listed. But Storehouse argues that the Conran Design Group is "at the very heart" of the group, crucial to its

success, and that "Storehouse supplies a full range of services which would be highly expensive to reproduce within each company."

Moreover, the defence document lams into the record of both Benlox and certain Benlox directors. "Benlox's financial performance in recent years has been appalling," claims Storehouse, pointing out that dividends have been paid out of reserves for the last two years despite a deficit on revenue reserves at end 1985 and end 1986. And it describes the record of Aiship Industries during the early eighties when Benlox chairman Mr Andrew Miller was managing director/chairman as "one of the sorrier episodes in UK corporate history."

Last night, however, Mr Peter Earl - a Benlox director and the guiding light behind its adviser, demerger specialist Ifincorp Earl - criticised the personal at-

tack. "Reading the document, you would assume Andrew Miller is a leper - that it clearly not the case."

"But that's not what this is about - this is not a personal vendetta between Andrew Miller and Sir Terence Conran. The demerger idea, he argued, was both practical and supported by analysts; the Design Group could, and had operated successfully for non-Storehouse clients, and he claimed that stressing the degree of inter-company service offered by Storehouse was at odds with the disclosure of a "small head of lice of 40 people." He also pointed out that Mr Miller did not take over at Benlox until January.

Yesterday, Mr Earl's private company, Sloane Corporation, disclosed that it purchased another 5,000 Benlox shares, taking its stake to 15,000 or 0.0375 per cent.

Gieves profits 58% ahead to £0.7m halfway

A 58 per cent improvement in pre-tax profits, from £444,000 to £703,000, was reported by Gieves Group, for the half year to end-July.

The interim dividend is stepped up to 15p (12p), with earnings per 20p share ahead from 3.4p to 4.5p.

Mr Michael Keeling, the chairman, said there was clearly a chance of Gieves & Hawkes International, breaking even over the year. Gieves was launching new products which, it was hoped, would restore profit margins.

Total turnover advanced by 13 per cent to £21.41m (£19m). Tax was £255,000 (£155,000).

Daks tops expectations

BY MIKE SMITH

IMPROVED manufacturing facilities helped Daks Simpson, clothes maker and owner of the Simpson store in Piccadilly, to increase pre-tax profits by 27 per cent in the year to July 31, 1987.

The £4.9m out-turn compared with £3.98m in 1986 and was ahead of analysts' expectations. It was achieved on sales up 7.3 per cent at £50.34m.

Mr Johnny Mengers, chairman, said the improved margins were partly the result of moving the manufacture of rainwear and leisurewear from Devon to a more efficient plant in Scotland. But the company had also sold well in export markets.

Daks does not disclose how much of its income comes from abroad, either through direct exports, or through direct exports. Yesterday it played down the effects of the stock market crashes and the fall of the dollar by stressing that it was more dependent on Europeans than Americans.

It admitted, however, that many customers were from the City and this may have an impact on Christmas sales. "Perhaps we might not see as many of them this year," said Mr Mengers.

The 27 per cent profits rise compares with percentage rises of 74, 73 and 52 in the three previous years.

Mr Mengers said that Daks Simpson would have to make acquisitions to achieve dynamic growth in future. The company was looking for something which had a peripheral connection with clothing.

Daks Simpson has net assets of £14.75m (£12.2m in 1986) and net borrowings of £2m (£3.7m). That implies gearing of less than 14 per cent.

Last year earnings per share rose 32 per cent to 48.64p. They were helped by a proportionally lower tax charge of £1.8m (£1.51m). The total dividend was lifted by 22.5 per cent to 8.6p.

Sir James Hill disposes of its Sanderson stake

Sir James Hill and Sons, the private company which made an unsuccessful bid approach this month to Sanderson Murray & Elder, has now sold the 8.1 per cent stake it had acquired in the Bradford-based woolcomber.

Hill said in early October it was prepared to offer 200p for each ordinary share in Sanderson, provided the board recommended acceptance and the principal shareholders agreed to accept. But the board immediately replied that it saw no commercial merit in a deal. Sanderson shares closed last night at 161p, up 11p on the day.

Ladbroke holders shun rights

BY NIKKI TAIT

COLLAPSING share prices have resulted in just 2.4 per cent of the £254m rights issue by Ladbroke Group, being taken up by existing shareholders.

The outcome, announced yesterday, represents the latest rights issue flop since the stock-market maelstrom blew up. The low response, however, looked inevitable on Wednesday afternoon, when the issue closed with Ladbroke shares standing at 314p against the 378p rights price.

Yesterday, Ladbroke said it felt it was unfortunate that markets had turned during the course of the issue but stressed

that the deal which occasioned the cash call - the £1bn purchase of the Hilton hotel chain from US group Allegis - was living up to all its expectations.

"We have been owners of the Hilton chain for some weeks," said the company, "and the more we look at it the better the deal is."

The rights issue was Ladbroke's second call this year - the first coming in April, when it raised £294m. Until fears about the overlapping of rights shares hit the market this week, the Ladbroke share price had been falling roughly in line with the market itself. Yesterday, however, they slipped another 17p to 297p.

By comparison, the £6.9m cash call by food group, Hunter Saphir, in connection with its purchase of House of Clark, saw a relatively successful 54.5 per cent take-up. Berkeley & Hay Hill, however, saw only a 2.8 per cent take-up on its £2.3m open offer to shareholders.

Already this week, underwriters have been obliged to pick up almost all of the £44.5m issue from T. Cowie and the £28.3m call by Raymond Williams, plus 70 per cent of £27.5m issue by Sketchnley. Yesterday, the £143m call by merchant banking group Kleinwort, Benson also closed with the shares 25p adrift from the 460p rights price.

ABF bid for Berisford is cleared

By Clay Harris

The £767m bid for B&W Berisford by Associated British Foods was cleared yesterday to proceed without a reference to the Monopolies and Mergers Commission. It remained unclear last night, however, whether that is ABF's intention.

The ruling and being group is due to announce today the level of acceptance of its 400p cash offer received by yesterday's first-closing date. Berisford shares fell another 5p to 255p yesterday, but finished above the day's worst levels.

The Government's decision not to refer the ABF bid came nine months after it accepted the Monopolies Commission's advice to block rival offers for Berisford, owner of British Sugar as well as commodity, property and financial services interests from Tate & Lyle and Ferruzzi.

Both suitors subsequently sold their stakes - Ferruzzi to ABF and Tate to Berisford directors and the Chicago-based Pritzker family.

Earlier yesterday, Berisford directors and the Pritzker family's Marmon Corporation had announced that they did not intend to accept the ABF offer before the 5pm deadline. The board last week had declined to give form advice of acceptance or rejection.

Berisford reminded shareholders that acceptances were irrevocable until November 26, two days after the delayed extraordinary general meeting at which ABF shareholders are due to decide whether to approve the takeover.

The controlling shareholder, George Weston Holdings, has already indicated its doubts about proceeding.

Goldberg advances 56% to £724,000 at midway

BY CLAY HARRIS

A. Goldberg & Sons, Scottish-based retailer, yesterday reported pre-tax profits of £724,000 in the 26 weeks to September 26. The 56 per cent advance from £465,000 last year was achieved on sales 18 per cent ahead at £22.7m (£19.2m).

Mr Mark Goldberg, chairman, said it was too early to judge the prospects for sales over the Christmas period, especially because of economic uncertainty following the stock market crash.

Wrynges, the leading young fashion retailer in Scotland, achieved the best increase in turnover, lifting sales by 37 per cent to £9.3m (£6.8m). Within the total, Wrynges Man increased sales by 140 per cent to £1.6m.

Turnover at the original Goldberg stores fell by 3.2 per cent to £12.4m, but new store fashion sales now identified as the core businesses - were ahead by 11 per cent. Non-clothing merchandise has been removed from all stores except the two largest, in Glasgow and Edinburgh.

Schuh, which Goldberg bought as a four-shop shoe retailer in April, contributed sales of £1.45m. By the end of the financial year, Schuh is expected to have seven stand-alone shops and 26 units in Wrynges or Goldberg stores in north-west England. Wrynges is preparing to open a store in Birmingham's new Pavilion Centre with others planned in the

north-east, West Midlands and south-east.

Goldberg expects to receive £5.5m to £6m from Royal Bank of Scotland's exercise of its option to buy the remaining 40 per cent of the Style credit card operation, which contributed £337,000 to first-half profits.

Earnings per share rose to 2.8p (1.8p), and the interim dividend is raised to 1.53p (1.15p).

COMMENT

Goldberg shares have suffered from the reverse-Midas touch of the Antipodean investor, underperforming the FTA shares index by 6 per cent since the stock market crash. There is no justification for this, and Charterhall has taken the opportunity to raise its stake to 10.5 per cent. Goldberg's natural caution has been vindicated and reinforced by the new wind of uncertainty. Southward expansion is on course to continue at a prudent pace, as an apt description, as well for the two-stage withdrawal and redeployment of proceeds from the credit operation. Pre-tax profits of £2.3m for the full year would put the shares on a prospective P/E of 11.7. Although the fundamental strategy cannot be faulted, it remains open to question whether the group can wrest enough sales from the fickle fashion gap it and others perceive below Next and above the less convincing flatlanders of the George Davies formula.

MFI goes ahead with management buy-out

MFI, the furniture retailing group, said yesterday that it is going ahead with the £715m management buyout from Asda-MFI in spite of the stock market collapse.

Its statement followed rumours that the deal could be in jeopardy because of funding problems.

Mr Derek Hunt, chairman, said that the £15m of debt and £10m of equity to finance the deal had now been fully sold down.

The collapse of share prices had made the financing more difficult but the deal had in any case been underwritten by Chemical Bank and Charterhouse.

Since Black Monday, analysts have viewed the management buyout as an excellent deal for Asda-MFI because of the cash it

will receive as a result. It shares have consequently outperformed the market considerably.

Mr Hunt said yesterday that he had no regrets. Although MFI might have been able to negotiate a cheaper price after the crash it would probably not have been able to raise the necessary debt.

The deal has already been approved by shareholders of Asda-MFI and the Office of Fair Trading has given its clearance. Completion is planned for November 16.

MFI, which bought its main supplier Hygena for about £200m as part of the buyout, wants to return to the stock market within three years. Mr Hunt said there was no need for that target to be revised.

Moss Advertising

Moss Advertising yesterday announced two small acquisitions, the considerations being met by share issues.

It is buying Farnfield Marketing Consultants for an initial 25,300 shares, with further payments dependent on profits. It is also purchasing Ringe Price Associates, a New York based public relations and special promotions company, for \$160,000 in shares. Moss shares closed at 81p, down 5p.

FINANCIAL TIMES CONFERENCE

World Telecommunications
1 and 2 December 1987
London

For information please return this advertisement, together with your business card, to:
Financial Times Conference Organisation
2nd Floor
126 Jermyn Street
London SW1Y 4JL
Alternatively
telephone 01-925 2323
telex 27347 FTCONF G
Fax: 01-925 2125

SWITZERLAND BANKING, FINANCE & INVESTMENT

The Financial Times proposes to publish this survey on
TUESDAY 15th DECEMBER 1987

For further information please contact:
Gunter Breiting on 022/311 604
Financial Times (Switzerland)
15 rue du Candrier, 1201 Geneva
or Patricia Surridge
Bracken House, 10 Cannon Street
London EC4P 4BY Tel: 01-248 8000 extn 3426

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

All of these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

6,000,000 Shares

Spiegel

Class A Non-Voting Common Stock

The NASDAQ symbol is SPGLA

4,500,000 Shares

The above shares were underwritten by the following group of U.S. Underwriters.

Merrill Lynch Capital Markets

ABD Securities Corporation	The First Boston Corporation	Bea, Stearns & Co. Inc.	Alex. Brown & Sons
Deutsche Bank Capital	Dillon, Read & Co. Inc.	Donaldson, Lufkin & Jenrette	EuroPartners Securities Corporation
Hambrecht & Quist	E. F. Hutton & Company Inc.	Kidder, Peabody & Co.	Lazard Freres & Co.
Morgan Stanley & Co.	PaineWebber Incorporated	Prudential-Bache Capital Funding	Montgomery Securities
Salomon Brothers Inc.	Shearson Lehman Brothers Inc.	Smith Barney, Harris Upham & Co.	L. F. Rothschild & Co.
Allen & Company	A. G. Edwards & Sons, Inc.	Oppenheimer & Co., Inc.	Thomson McKimmon Securities Inc.
Robert W. Baird & Co.	Bateman Eichler, Hill Richards	BHF Securities Corporation	Blunt Ellis & Loewi
Boettcher & Company, Inc.	Butcher & Singer Inc.	Cowen & Co.	Dain Bosworth
First Albany Corporation	First of Michigan Corporation	Janney Montgomery Scott Inc.	Ladenburg, Thalmann & Co. Inc.
Cyrus J. Lawrence	Legg Mason Wood Walker	McDonald & Company	Neuberger & Berman
Prescott, Ball & Turben, Inc.	The Robinson-Humphrey Company, Inc.	Rotan Mosle Inc.	Stephens Inc.
Tucker, Anthony & R. L. Day, Inc.	Wheat, First Securities, Inc.	The Chicago Corporation	R. G. Dickinson & Co.
First Manhattan Co.	Furman Selz Mager Dietz & Birney	Gabelli & Company, Inc.	Gruntal & Co., Incorporated
J. J. B. Hilliard, W. L. Lyons, Inc.	Johnson, Lane, Space, Smith & Co., Inc.	Edward D. Jones & Co.	The Ohio Company
Parker/Hunter	Rodman & Renshaw, Inc.	Seidler Amdez Securities Inc.	Underwood, Neuhaus & Co.
Wedbush Securities, Inc.	Branch, Cabell and Company	Carolina Securities Corporation	First Affiliated Securities, Inc.
Hayes & Griffith, Inc.	The Illinois Company	Kuhns Brothers & Laidlaw, Inc.	McKinley Allsopp, Inc.
Morgan, Olmstead, Kennedy & Gardner	W. H. Newbold's Son & Co., Inc.		Smith, Moore & Co.
Swergold, Cheifetz & Sinsabaugh, Inc.	Traub and Company, Inc.	Van Kasper & Company	Edward A. Viner & Co., Inc.

1,500,000 Shares

The above shares were underwritten by the following group of International Underwriters.

Merrill Lynch Capital Markets

Commerzbank	Deutsche Bank Capital Markets Limited	Dresdner Bank
Banque Paribas Capital Markets Limited	Credit Suisse First Boston Limited	DG BANK
N.M. Rothschild & Sons Limited	Shearson Lehman Brothers International	Sumitomo Finance International
		S.G. Warburg Securities

Our favourite things

mothercare
nobody cares like mothercare



Mothercare have 240 stores in the UK, 40 in Europe and 234 in the USA, franchises in Kuwait, Saudi Arabia, Singapore, Hong Kong, Dubai, Cyprus, Iceland, Malta and Rhodes.

SavaCentre



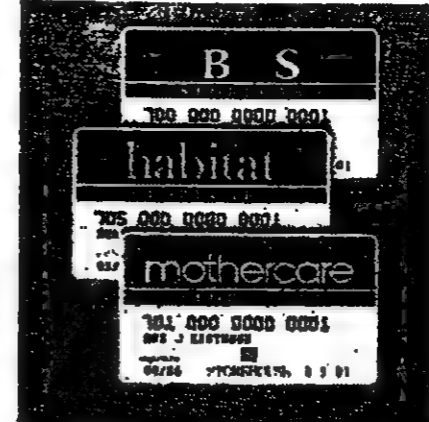
A 50% joint venture with J. Sainsbury plc. 6 stores in the UK.

bhs
is where



131 stores throughout the UK and Eire with franchises in Gibraltar, Oman, Qatar, Bahrain and Hong Kong.

STORECARD



A 50% joint venture with Citibank Trust Ltd.

habitat



Habitat have 56 stores in the UK, 32 in Europe, 16 in the USA, and 12 in Japan, Iceland, Singapore and Hong Kong.

fnac



27 stores in France. 20% shareholding.

Conran Octopus



A 50% joint venture with Octopus Publishing Group.



204 people in London and Paris. Services: Architecture, Fashion, Graphics, Interiors, Products, Catalogues, Photography, Advertising, Marketing.

CONRAN DESIGN GROUP

HEAL'S



4 stores in the UK 5th opening soon in Reading.

RICHARDS



175 stores in the UK.

THE CONRAN SHOP



77-79 Fulham Road, London SW3. Moving soon to exciting new premises at Michelin House, 81 Fulham Road, London SW3.

anonymous



7 stores in London.



STOREHOUSE

The Heal's Building, 196 Tottenham Court Road, London W1P 9LD 01-631 0101

ET UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY NOVEMBER 4 1987					THURSDAY NOVEMBER 5 1987			DOLLAR INDEX		
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year Gain (Loss) Percent
Figures in parentheses show number of stocks per grouping											
Australia (380)	96.47	-4.4	81.85	95.10	4.12	100.94	85.29	100.23	180.81	96.47	92.21
Austria (32)	93.31	-3.5	79.17	83.12	2.51	96.65	82.99	85.75	159.94	96.41	91.43
Belgium (96)	100.24	+2.5	85.04	88.87	3.73	100.77	87.49	98.35	134.85	96.41	89.69
Canada (254)	94.60	-0.8	87.73	91.23	3.09	100.41	88.35	99.60	143.78	96.41	93.75
Denmark (76)	108.94	+0.8	92.43	97.76	3.01	108.03	91.97	97.38	124.83	98.18	92.99
France (240)	84.29	-2.4	71.51	77.02	3.56	86.34	73.50	78.96	121.67	97.19	91.10
West Germany (156)	78.41	-3.5	66.52	69.79	3.05	82.52	72.15	83.76	158.68	77.28	91.26
Hong Kong (52)	79.37	-3.8	60.19	63.83	6.03	83.52	71.10	83.76	126.85	79.97	85.96
Italy (190)	100.59	-6.9	85.37	91.18	4.91	108.03	91.97	98.43	160.22	99.50	84.55
Japan (916)	77.04	-1.0	65.34	72.64	2.62	77.84	66.27	73.65	111.77	76.66	90.44
Netherlands (172)	136.79	-1.5	116.05	119.59	3.38	138.82	118.18	128.53	161.28	100.00	85.44
Mexico (28)	108.61	-1.5	100.77	104.77	3.47	112.58	95.84	108.61	197.64	98.24	105.22
Norway (32)	229.32	-4.9	194.56	415.46	0.73	241.26	205.39	434.05	422.59	99.72	83.60
Netherlands (74)	92.89	-3.3	78.80	81.55	5.46	96.05	81.77	94.41	141.41	98.24	92.99
New Zealand (46)	80.58	-5.3	68.36	70.85	4.32	86.35	72.41	74.82	136.79	80.58	87.53
Norway (32)	113.92	-3.3	101.73	105.06	2.59	126.99	107.77	111.47	185.01	100.00	101.32
Singapore (54)	99.47	-3.0	84.39	94.36	2.54	102.56	87.31	97.29	174.28	90.19	104.33
South Africa (122)	120.66	-6.9	102.37	109.96	4.61	129.56	100.30	97.49	186.01	100.00	98.49
Spain (66)	127.78	-1.5	108.43	110.30	3.67	111.56	111.56	113.52	168.81	80.00	87.05
Sweden (68)	97.71	-5.4	82.90	88.85	2.57	103.33	87.97	94.15	136.64	90.85	102.35
Switzerland (106)	81.58	-3.4	69.22	71.42	2.33	84.46	71.90	73.99	111.11	80.40	89.64
United Kingdom (664)	127.78	-2.5	97.68	97.68	4.68	118.12	100.55	100.55	162.87	99.65	91.17
USA (1166)	101.53	-0.7	86.16	90.46	3.60	102.30	87.99	102.30	137.42	92.83	102.56
Europe (284)	97.07	-2.5	82.35	84.82	3.94	99.89	84.79	87.41	130.02	97.07	93.68
European Basin (2040)	123.17	-1.6	112.98	116.38	0.79	135.36	115.24	118.49	158.77	100.00	85.82
Europe-Pacific (4881)	118.76	-1.0	100.76	103.78	1.82	122.09	108.08	106.08	143.65	100.00	88.85
North America (2140)	101.78	-0.6	86.35	101.48	3.58	102.92	87.17	102.17	143.65	100.00	88.85
Europe Ex. UK (1045)	97.07	-2.5	82.35	84.82	3.94	99.89	84.79	87.41	130.02	97.07	93.68
Pacific Ex. Japan (664)	89.51	-4.3	75.94	87.63	4.61	93.56	75.02	79.33	111.97	89.51	90.62
World Ex. US (10236)	111.52	-1.8	100.55	105.69	1.89	120.66	102.72	105.97	143.38	100.00	89.34
World Ex. UK (10989)	118.62	-1.3	94.70	96.26	2.29	118.62	94.70	96.26	135.81	100.00	94.70
World Ex. So. A. (10802)	111.88	-1.4	93.88	94.92	2.47	113.43	96.56	104.78	139.47	100.00	94.92
World Ex. Japan (10611)	100.95	-1.4	84.88	95.09	3.74	101.43	86.35	96.72	134.22	96.44	98.84
The World Index (9573)	111.04	-1.4	94.97	103.02	2.49	113.53	96.65	104.76	139.73	100.00	94.97

Base value: Dec 31, 1986 = 100
Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987
New York market closed at 14.30 hrs local time.
Interest rates shown are applicable for this edition.

BASE LENDING RATES

[illegible][illegible]

Grindlays Bank p.l.c. Interest Rates

**Grindlays Bank p.l.c.
announces that
its base rate for lending
will change from
9½% to 9% with effect
from 5th November 1987**

Grindlays Bank p.l.c.
Member ANZ Group

**Head Office: Grindlays Bank plc,
Minerva House, Montague Close, London SE1 0DH.**

GRANVILLE
SPONSORED SECURITIES

High	Low	Company	Price	Change	Div Yield	% YTD
235	233	Asst. Brk. Inv. Ordinary	200	—	7.5	—
206	245	Asst. Brk. Inv. CULS	200	-1	10.0	5.0
41	32	Armatage & Rhodes	32	—	4.2	13.1
242	95	BBS Design Group (USM)	—	—	8.1	37.8
126	95	Berman Group	164	1.6	3.7	—
128	95	Byt Technology	144	-2	4.7	2.8
282	190	CCL Group Ordinary	156	-2	11.5	4.3
147	99	CCL Group 11% Conv. Pref.	135	—	15.7	11.6
171	256	Carbonylordinary Ordinary	146	—	5.6	13.3
93	88	Carbonyl 7.5% Pref.	204	—	10.4	—
180	87	Corning Blair	160	-3	3.2	4.2
143	119	Isis Group	98	—	—	—
102	59	Jackson Group	50	-2	3.6	3.4
70	70	Midwest Inv (Amsted)	320	—	—	11.0
73	35	Record Holdings (SE)	73	—	0.1	14.7
114	83	Recon Hldgs. 10%PC (SE)	100	—	34.3	18.4
91	60	Robert Jenkens	60	—	—	—
124	82	Servatix	124	—	5.8	4.4
224	141	Torrey & Carlisle	214	-2	6.6	3.1
59	32	Trunk Holdings	54	+2	0.8	1.4
151	66	Univac Holdings (SE)	66	—	2.8	4.2
151	66	Univac American	151	—	—	—
201	190	W. S. Yates	200	—	17.4	8.7
175	96	West Yates, Int. Hosp. (USM)	140	—	5.5	3.9

Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of the Federal Reserve Board. Other securities listed above are dealt in the over-the-counter market under the rules of FIMBRA.

TOKYO TRUST S.A.

INTERIM DIVIDEND

An interim Dividend of US\$ 0.10 per share will be payable on 27th November 1987 to holders on the Register on 3rd November and to holders of the Bearer Shares against presentation of Coupon No.29 at the Paying Agent:-

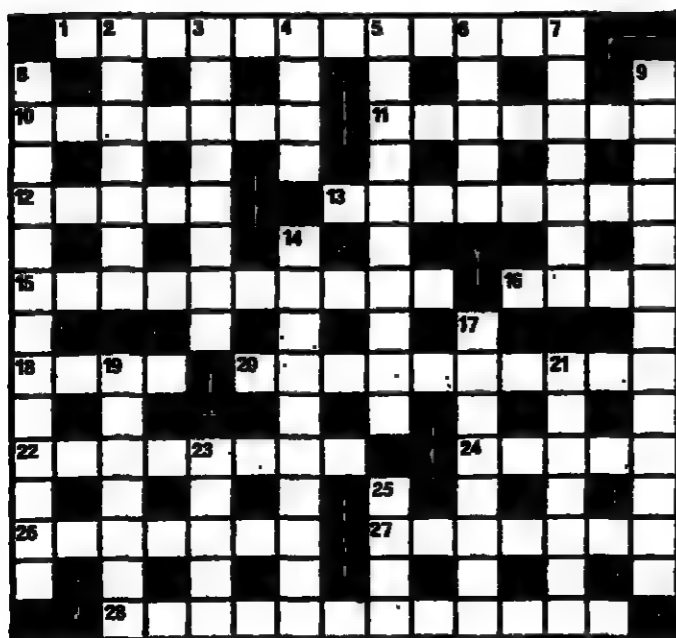
Singer & Friedlander Ltd
21 New Street, London EC2M 4HR
OR
Kreditbank S.A. Luxembourgeoise
43 Boulevard Royal, Luxembourg

By order of the Board
TOKYO MITSUBISHI B.A.

By order of the Board
TOKYO TRUST S.A.

FT CROSSWORD PUZZLE No. 6,475

GRIFFIN



- ACROSS**
- 1 Which provides improvement in capital growth? (12)
2 Thankless person with sickly complexion (5)
3 Balance free but reduced by a quarter (7)
4 Leader will be caught if he moves (5)
5 Incorrect demand includes subtle as supplement (8)
6 Fruit in truck began to go bad (10)
7 Bottle opener taken by water lover (4)
8 Specious and on first-class lines (4)
9 One's favourite act is to distribute underwear! (10)
10 Former Italian banker confident of public appearance (6)
11 Language of love in one lacking brilliance (5)
12 Angry drunk to appear for trial first (7)
13 Russian rehearsed for the Spanish (7)
14 Diva embraces unhappy agent upset by loss (12)
- DOWN**
- 2 Bank man's hobby? (7)
3 No fraud misleads an old copper with this licence (4-4)
4 Regretted sounding discouragement (5)
5 Ray is told I ordered unity of interest (10)
6 Inspire burn to turn in, in other words (5)
7 Spanish nobleman points beneath piano (7)
8 Claim one was round about 50, mixed (13)
9 Unit remembers to arrange retirement (13)
14 Kept getting famous (10)
15 Alliance of stress I'd accepted (8)
16 Supposed to be placed in a pipe (7)
17 Tolerating noise in a large container (7)
18 When in and Gateshead looking for pines (6)
19 Where something's inclined to be a tourist attraction (4)
- Solution to Puzzle No. 6,474**
- | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S | T | A | N | C | E | P | A | I | R | | P | A | I | R | |
| R | | | | | | P | E | R | | | | | | | |
| P | A | S | T | U | R | E | D | R | E | T | | | | | |
| R | | R | | N | O | | D | O | R | S | | | | | |
| G | E | N | E | R | A | T | I | O | N | | A | V | I | D | |
| | | | | | | S | T | | | | I | D | | | |
| | | | | | | T | O | S | T | I | | L | A | V | E |
| | | | | | | R | O | | | | I | | | N | |
| | | | | | | R | E | G | A | I | N | E | D | | |
| | | | | | | A | T | | | | M | I | G | H | T |
| | | | | | | U | S | E | R | | C | R | E | D | I |
| | | | | | | U | N | | | | C | I | T | E | |
| | | | | | | A | R | S | E | N | A | L | | | |
| | | | | | | R | E | S | I | | T | I | N | S | |
| | | | | | | E | S | E | N | T | | I | G | A | N |

STANCE PAIRUP
PASTURE DRURES
GENERATION AVID
TOSTITIO LAVENDER
REGAINED NIGHT
USER CREDITABLE
ARSENAL CAPITAL
PRESENT LEAGUE

Continued on next page

مذکر افغان

LONDON SHARE SERVICE

BRITISH FUNDS										BRITISH FUNDS—Contd.										FOREIGN BONDS & RAILS									
High	Low	Start	Price	Yld.	High	Low	Start	Price	Yld.	High	Low	Start	Price	Yld.	High	Low	Start	Price	Yld.	High	Low	Start	Price	Yld.	High	Low	Start	Price	Yld.
Domestic (Close up to Five Years)										Unlimited										Stock									
1000	990	British 1980-2000	99.50	7.75	99.50	98.50	British 1980-2000	99.50	7.75	100	99	British 1980-2000	99.50	7.75	100	99	British 1980-2000	99.50	7.75	100	99	British 1980-2000	99.50	7.75	100	99	British 1980-2000	99.50	7.75
990	980	British 1980-2000	98.50	7.75	98.50	97.50	British 1980-2000	98.50	7.75	99	98	British 1980-2000	98.50	7.75	99	98	British 1980-2000	98.50	7.75	99	98	British 1980-2000	98.50	7.75	99	98	British 1980-2000	98.50	7.75
980	970	British 1980-2000	97.50	7.75	97.50	96.50	British 1980-2000	97.50	7.75	98	97	British 1980-2000	97.50	7.75	98	97	British 1980-2000	97.50	7.75	98	97	British 1980-2000	97.50	7.75	98	97	British 1980-2000	97.50	7.75
970	960	British 1980-2000	96.50	7.75	96.50	95.50	British 1980-2000	96.50	7.75	97	96	British 1980-2000	96.50	7.75	97	96	British 1980-2000	96.50	7.75	97	96	British 1980-2000	96.50	7.75	97	96	British 1980-2000	96.50	7.75
960	950	British 1980-2000	95.50	7.75	95.50	94.50	British 1980-2000	95.50	7.75	96	95	British 1980-2000	95.50	7.75	96	95	British 1980-2000	95.50	7.75	96	95	British 1980-2000	95.50	7.75	96	95	British 1980-2000	95.50	7.75
950	940	British 1980-2000	94.50	7.75	94.50	93.50	British 1980-2000	94.50	7.75	95	94	British 1980-2000	94.50	7.75	95	94	British 1980-2000	94.50	7.75	95	94	British 1980-2000	94.50	7.75	95	94	British 1980-2000	94.50	7.75
940	930	British 1980-2000	93.50	7.75	93.50	92.50	British 1980-2000	93.50	7.75	94	93	British 1980-2000	93.50	7.75	94	93	British 1980-2000	93.50	7.75	94	93	British 1980-2000	93.50	7.75	94	93	British 1980-2000	93.50	7.75
930	920	British 1980-2000	92.50	7.75	92.50	91.50	British 1980-2000	92.50	7.75	93	92	British 1980-2000	92.50	7.75	93	92	British 1980-2000	92.50	7.75	93	92	British 1980-2000	92.50	7.75	93	92	British 1980-2000	92.50	7.75
920	910	British 1980-2000	91.50	7.75	91.50	90.50	British 1980-2000	91.50	7.75	92	91	British 1980-2000	91.50	7.75	92	91	British 1980-2000	91.50	7.75	92	91	British 1980-2000	91.50	7.75	92	91	British 1980-2000	91.50	7.75
910	900	British 1980-2000	90.50	7.75	90.50	89.50	British 1980-2000	90.50	7.75	91	90	British 1980-2000	90.50	7.75	91	90	British 1980-2000	90.50	7.75	91	90	British 1980-2000	90.50	7.75	91	90	British 1980-2000	90.50	7.75
900	890	British 1980-2000	89.50	7.75	89.50	88.50	British 1980-2000	89.50	7.75	90	89	British 1980-2000	89.50	7.75	90	89	British 1980-2000	89.50	7.75										

[illegible]

AMERICANS—Continued									
207	208	209	210	211	212	213	214	215	216
217	218	219	220	221	222	223	224	225	226
227	228	229	230	231	232	233	234	235	236
237	238	239	240	241	242	243	244	245	246
247	248	249	250	251	252	253	254	255	256
257	258	259	260	261	262	263	264	265	266
267	268	269	270	271	272	273	274	275	276
277	278	279	280	281	282	283	284	285	286
287	288	289	290	291	292	293	294	295	296
297	298	299	300	301	302	303	304	305	306
307	308	309	310	311	312	313	314	315	316
317	318	319	320	321	322	323	324	325	326
327	328	329	330	331	332	333	334	335	336
337	338	339	340	341	342	343	344	345	346
347	348	349	350	351	352	353	354	355	356
357	358	359	360	361	362	363	364	365	366
367	368	369	370	371	372	373	374	375	376
377	378	379	380	381	382	383	384	385	386
387	388	389	390	391	392	393	394	395	396
397	398	399	400	401	402	403	404	405	406
407	408	409	410	411	412	413	414	415	416
417	418	419	420	421	422	423	424	425	426
427	428	429	430	431	432	433	434	435	436
437	438	439	440	441	442	443	444	445	446
447	448	449	450	451	452	453	454	455	456
457	458	459	460	461	462	463	464	465	466
467	468	469	470	471	472	473	474	475	476
477	478	479	480	481	482	483	484	485	486
487	488	489	490	491	492	493	494	495	496
497	498	499	500	501	502	503	504	505	506
507	508	509	510	511	512	513	514	515	516
517	518	519	520	521	522	523	524	525	526
527	528	529	530	531	532	533	534	535	536
537	538	539	540	541	542	543	544	545	546
547	548	549	550	551	552	553	554	555	556
557	558	559	560	561	562	563	564	565	566
567	568	569	570	571	572	573	574	575	576
577	578	579	580	581	582	583	584	585	586
587	588	589	590	591	592	593	594	595	596
597	598	599	600	601	602	603	604	605	606
607	608	609	610	611	612	613	614	615	616
617	618	619	620	621	622	623	624	625	626
627	628	629	630	631	632	633	634	635	636
637	638	639	640	641	642	643	644	645	646
647	648	649	650	651	652	653	654	655	656
657	658	659	660	661	662	663	664	665	666
667									

هكذا فعل الله

	Sack	High	Low	Close
6	Tack B 1	\$32 ³ / ₄	32	32 ¹ / ₄
0	Terra Mn	119	112	112
0	Tetapco Cas	\$26	25 ¹ / ₂	25
0	Thom. H. A.	\$26 ¹ / ₂	26 ¹ / ₂	25

Thor	DM	\$24	226	237
Thor Sun	DM	\$187	88	164
Torstar B I	\$24	33	24	24
Total Pac	\$18	177	174	174
Tres Mt	\$13	13	13	13
TPA Inc	\$274	274	274	274
TriCan	\$10	10	10	10
Trident A	\$150	150	150	150
Trinac	\$50	330	350	350
Trinity Res	\$0	50	50	50
Trizec A I	\$227	227	227	227
Trizec B	\$24	24	24	24
Utelor P	203	203	200	200
Un Caribed	\$134	134	134	134
Un Corpn	\$64	64	64	64
Un Corp	\$16	61	61	61
Un Corp	\$26	38	38	38
Un Vulkan Ind	228	225	220	220
Un Waxco A	\$111	111	112	112
Un Waxco B	\$111	111	111	111
Weston	\$27	24	24	24
Weston	\$51	202	21	51
Woodco A	\$81	202	31	81
Woodco B	\$81	21	81	81

MONTREAL

Closing prices November

34	Bank Mont	\$26	25 1/2	25 1/2
30	Bombard	\$5 1/2	5 1/4	5 1/2
80	Bombard A	\$14 1/2	14 1/4	14 1/2
	CB Pak	\$13	12	13
	Casadeo	\$7 1/2	7 1/4	7 1/2
37	Casadeo A	\$20 1/2	20 1/4	20 1/2
475	ComBell	\$15 1/2	15 1/4	15 1/2
	ComTria	\$16 1/2	16 1/4	16 1/2

56	MetLife	\$17 1/2	12	12
57	NatSec Cdn	\$10 1/2	10 1/2	10 1/2
58	Noranda	\$11 1/2	10 1/2	11
59	Powertec Corp	\$11 1/2	13 1/2	11 1/2
60	Proviso	\$6 1/2	8 1/2	8 1/2
61	RepaEnt	\$10 1/2	9 1/2	10 1/2
62	Royal Bank	\$27 1/2	27 1/2	27 1/2
63	Stamberg	\$33	33	33
64	Videotron	\$10 1/2	10 1/2	10 1/2

1 Sales 6,640,801 shares

Mo.	1987	
	High	Low
1360.8	2305.9 (214%)	1250.5 (5)
739.2	1462.4 (1471%)	676.7 (5%)
129.89	232.19 (224%)	182.21 (21%)
(c)	5432.2 (138%)	3527.5 (5%)
184.33	316.75 (172%)	163.60 (2%)

990.0	649.1 C51(0)	425.2 C
100.0	660.0 C2(2)	270.6 C2(2)
100.0	117.2 C2(2)	76.3 C2(2)
490.30	676.04 C5(1)	425.7 C
1905.3	2061.1 C1(0)	1396.6 C
2350.25	3060.73 C1(0)	1960.90 C
530.92	761.04 C3(0)	505.19 C
2330.60	2666.70 C1(0)	1854.60 C
194.87	2350.56 C1(0)	1287.46 C
220.5	3061.2 C1(0)	307.7 C
194.4	2350.56 C1(0)	141.7 C
396.6	642.04 C2(1)	251.70 C
872.3	1305.4 C1(0)	783.5 C
3306.0	3060.0 C1(0)	1570.0 C
1000.0	1000.0 C1(0)	1000.0 C

238.66	325.44 (5/20)	202.99 (E)
248.24	385.44 (7/20)	211.14 (G)
543.4	729.7 (5/10)	489.9 (5/20)
438.2	495.9 (2/70)	341.3 (G)
23026.91 = TSE 1917.42		
1,000 JSE Gold = 355.7 JSE Industri		

	Stocks traded	Closing price	Change
Common Stocks	2,295,000	50 1/2	+
Bonds	2,047,500	42 1/2	+
NY	1,995,300	29 1/2	+
West Financial	1,905,200	19	+
Other	1,795,800	120 1/2	+

Key Invs	85	-25
La Rue	378	-25
Mapian TV A	43	-7
Proke	297	-17
r (Stanley)	48	-22
Peck	230	-15
all Hldgs	150	-20

...king day.
...in the
...ntres of
...O.
...OLM or
...BURG
...nhagen

154441
 and Hensch
 1985.
 TIMES
 1985-1986

Sales	Stock	High	Low	Class	Chg	Sales	Stock	High	Low	Class	Chg	Sales	Stock	High	Low	Class	Chg	Sales	Stock	High	Low	Class	Chg
-------	-------	------	-----	-------	-----	-------	-------	------	-----	-------	-----	-------	-------	------	-----	-------	-----	-------	-------	------	-----	-------	-----

TORONTO									
Prices at 2:30pm									
November 5									
1250	CTL Bank	325	315	315	-	-	-	-	-
1250	Bank of Montreal	325	315	315	-	-	-	-	-
1250	Commerce Bank	325	315	315	-	-	-	-	-
1250	Bank of Nova Scotia	325	315	315	-	-	-	-	-
1250	Bank of Toronto	325	315	315	-	-	-	-	-
1250	Bank of Victoria	325	315	315	-	-	-	-	-
1250	Bank of Western Canada	325	315	315	-	-	-	-	-
1250	Bank of the North West	325	315	315	-	-	-	-	-
1250	Bank of the Prairies	325	315	315	-	-	-	-	-
1250	Bank of the West	325	315	315	-	-	-	-	-
1250	Bank of the Yukon	325	315	315	-	-	-	-	-
1250	Bank of the Northwest Territories	325	315	315	-	-	-	-	-
1250	Bank of the Nunavut	325	315	315	-	-	-	-	-
1250	Bank of the Arctic	325	315	315	-	-	-	-	-
1250	Bank of the South	325	315	315	-	-	-	-	-
1250	Bank of the East	325	315	315	-	-	-	-	-
1250	Bank of the Central	325	315	315	-	-	-	-	-
1250	Bank of the North Atlantic	325	315	315	-	-	-	-	-
1250	Bank of the South Atlantic	325	315	315	-	-	-	-	-
1250	Bank of the Pacific	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Indian Ocean	325	315	315	-	-	-	-	-
1250	Bank of the Atlantic Ocean	325	315	315	-	-	-	-	-

NEW YORK - ROY JONES	Nov.	Nov.	Nov.	Nov.	1967
------------------------------------	------	------	------	------	------

[illegible][illegible][illegible]

RISKS:						Average 20 yrs.....						+51	Grampian TV A.....		-7
BICC.....	307	+17	Comm. Union.....	311	+20	Ultramar.....	194	+18	Ladbroke.....	297	-17				
Barclays.....	443	+20	First Nat Fin.....	225	+27	Wellcome.....	327	+16	Müller (Stanley).....	48	-22				
Beecham.....	424	+27	Grand Met.....	377	+12	FALLS:						Poly Pack.....	230	-15	
			REFM.....	250	+10	Blenheim Exhib.....	455	-70	Tyndall Hldgs.....	150	-20				

Some business travellers
will change neither hotel nor newspaper.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

... every working day.
if you work in the
business centres of
MALMO.
STOCKHOLM or
GOTHENBURG

And ask K. Michael Heintz
for details.

FINANCIAL TIMES

... at no extra charge, if you work in the business centre of
MILANO

And ask Intercontinental S.r.L. for details.

A high-contrast, black and white illustration of a polo player on horseback. The player is wearing a cowboy hat and a light-colored shirt, and is captured in a dynamic pose, leaning forward as if swinging a mallet. The horse is depicted in a powerful, galloping motion. The word "Marlboro" is printed in its signature serif font at the top of the image.

[illegible]

RESEARCH
The statistical information for this survey was compiled by Dick Whittington, Rupert Arlow and Anne Dallforce. The survey was co-ordinated by Adrian Dick.

REPRINTS
Reprints of the survey (price £12) will be available shortly from the Financial Times Reprints Department, Bracken House, Cannon Street, London EC4A 3DF.

Financial Times TOP 500 1987

CONTENTS

Page
1: Basis for the lists
2 & 3: The European Top 500
4: Profitability, increase and decreases
5: Turnover; the global market; takeovers across frontiers
6: Company profiles; French privatisation
7: The UK market
8 & 9: The UK Top 500
10: Sector profiles

Privatised faces in an old picture

BY ADRIAN DICKS

TO MANY in the world's financial community, this year's FT Top 500 rankings must resemble one of those school or college group photographs taken in the early summer of 1914.

The companies valued most highly by Europe's investors are there in order, captured last June at the height of their self-confidence and close to the peak of their market capitalisation. Their faces betraying no clue to the calamity lying just over the horizon.

That the crash of world stock markets since October 19 has radically changed the financial environment is beyond doubt. Owners of equities have seen a huge proportion of their investments wiped out; borrowers of funds secured against shares have had to scale down their plans; and lenders themselves are heavily exposed.

The more liberal structures that have evolved in virtually all European capital markets in recent years have been placed under great strain, as have many individual securities firms and financial companies. Another immediate, if not necessarily fatal, casualty could well be the evolving international equity market.

Not least, the losses inflicted on millions of new shareholders must have given pause for thought to governments contemplating privatisation of further large state-owned corporations - the single development that has most changed the composition of the FT 500 this year.

Yet the environment for companies outside the financial sector has not changed so obviously for the worse because of the stock market's plunge, and need not do so unless the industrialised world suffers a severe recession or prolonged turbulence in the foreign exchange markets.

Some of the well-known faces in this year's portrait are new to the rankings. British Gas, Farabes, TSB, St Gobain are only

four of the biggest companies in which governments sold off controlling blocks of stock.

Not counting the privatised giants, there were relatively few startling changes at the top of the list: Shell seemed as unassailable as ever in first place; BP leap-frogged British Telecom; while Daimler Benz, despite unaccustomed bad publicity over its top management changes, slid only two places. Glaxo, Unilever, Generali, ICI and Hanson Trust were some of the companies which, for their respective industries, remained the apples of European investors' eyes.

Acquisition accounted for most of those which dropped out of the lists, though some whole sectors such as steelmaking continued their fall from favour. A very few companies, such as Fermentis, the Swedish biotechnology group that soared to 270th place a year ago, went down in the flames of scandal.

Almost by definition, a ranking of European companies based on market capitalisation reflects not only investors' perceptions of corporate performance. It also shows companies' relative success in raising fresh equity finance in an era when the conventional wisdom in most of Europe has been to favour shareholders over lenders as a source of funds.

From the top down, existing public companies in this year's list have taken full advantage of the markets' confidence in them to raise large sums of additional capital through rights issues and - albeit to a lesser extent than in the US - spinning off parts of their business to shareholders as free-standing companies.

The powerful revival of the European stock market's role as providers of primary capital in such countries as Italy, France, West Germany or Finland has obviously been one of the key factors in their upward climb

THE FT TOP 500 is a survey of Europe's biggest companies. This is the sixth year in which it has been conducted.

The main list looks at all publicly quoted European companies and ranks the 500 biggest by market capitalisation, taken as an average for the month of June this year and translated into US dollars.

A second list ranks the top 500 companies in the UK stock market, by far the biggest in Europe.

A company's capitalisation is the number of its shares multiplied by the price of its shares, and therefore measures the value of a company in the eyes of investors.

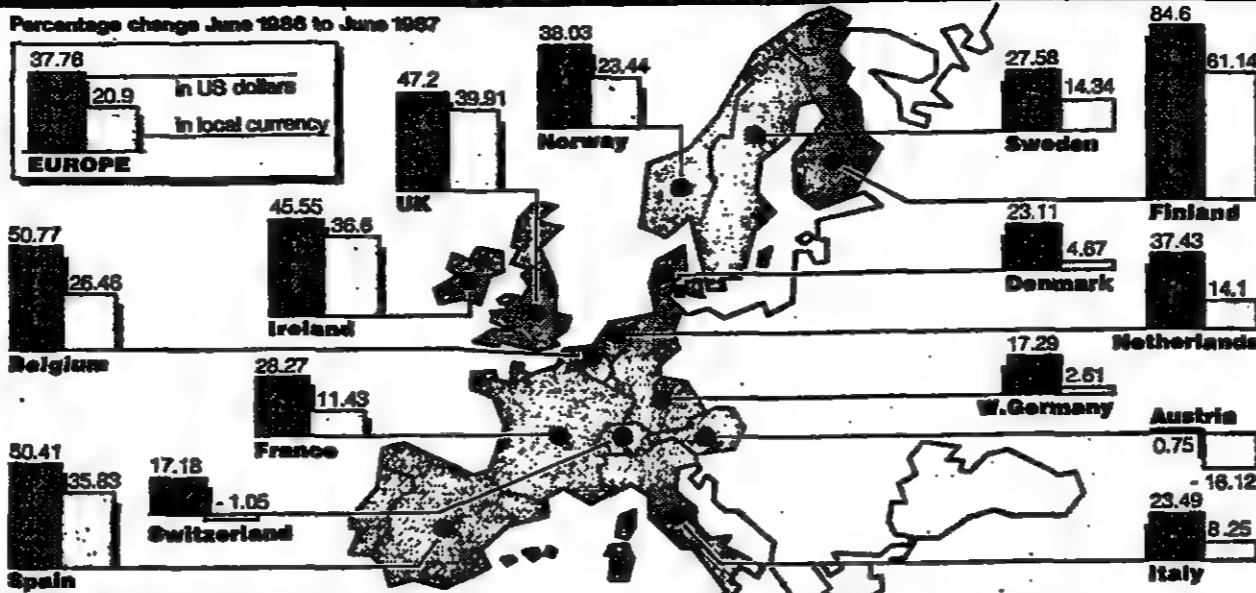
It is chosen as a yardstick because it has a number of advantages over other methods. It is a good guide to performance over time; it gives a proper weighting to banks, whose positions are distorted in lists based on turnover; and it takes proper account of loss-making companies which disappear from lists based on profits.

The stock market varies from one country to another. It is particularly important in the UK, whereas in West Germany the banks play a larger role in corporate finance, and in France and Italy many of the biggest groups are state-owned. To take account of these factors, a separate list is included of the top 100 European concerns, whether publicly or privately owned, ranked by turnover.

The Top 500 tables analyse the key figures on each company included - turnover, profits, return on capital employed, and the number of employees.

Other tables list the biggest employers, look at the most profitable stock market sectors, and list the biggest profit increases and decreases. There is also a separate table ranking the top 100 UK investment trusts by market capitalisation.

Stock market indices



Source: FT-Accordia World Index annual index - index base 100

over the past five years. Yet alternative sources of long-term finance, notably that provided by banks and bond investors, have deeper traditions in many European countries which have by no means disappeared. It should be interesting over the next year to watch whether the appetite of European companies for equity financing is temporarily blunted by this autumn's gyrations or even permanently diminished.

For all the recent havoc, however, enormous momentum has built up behind the process of deregulation and liberalisation of financial markets. The European Community is this month

due to consider proposals from the Brussels Commission for the progressive dismantling of remaining controls on foreign exchange and short-term capital movements.

Once the Community can agree on the way forward, and can design appropriate transitional safeguards for its weaker members, it will have moved a long way towards making a full reality of the internal market for goods and services within the next five years.

For some industries, such as pharmaceuticals or commodity chemicals, the market has for long been not even a European but a world-wide one. Acquisi-

tions, disposals, joint ventures and reshuffling of groups of businesses during the 12 months' performance reflected in this year's FT 500 were once again conducted with an eye to competitors in the US and Japan, no less than those in the European home market.

In some other industries, such as electrical engineering, data processing or motor vehicles, European contenders remain so much smaller - on the world scale than their US or Japanese rivals that it seems unlikely that all the present names can survive indefinitely as independent entities; the process of rationalisation appears to have a

long way to go.

In a third group of industries, such as telecommunications, defence equipment and even electronics, the protection by governments of national suppliers seems little dented, and may well prove capable in practice of withstanding the Community's loftiest ambitions for many years.

As in earlier years, the process of financial liberalisation by European Community governments led to mergers and acquisitions that stepped far beyond the frontiers of Community countries. Europe's most ambitious merger this year - not yet reflected in the FT

Europe's biggest employers

Rank	Company	Country	Sector	Top 500 rank	No. of employees
1	Siemens	Ger	5	35	363,000†
2	Philips	Net	5	35	344,000†
3	Unilever plc/NV	NUK	25	6	340,000†
4	Daimler Benz	Ger	9	4	319,965†
5	BAI Industries	UK	48	13	305,360†
6	Volkswagen	Ger	9	43	281,718†
7	British Telecom	UK	47	3	236,461†
8	Fluor	UK	47	3	230,293†
9	Hoechst	Ger	42	22	181,176†
10	Bayer	Ger	42	17	173,000†
11	Peugeot	Fra	9	58	165,000†
12	Nestle	Swi	25	11	162,078†
13	IGF	Fra	5	131	149,000†
14	Saint Gobain	Fra	43	100	142,351†
15	Royal Dutch/Shell	NUK	51	1	138,000†
16	Grand Metropolitan	UK	22	29	131,493†
17	BASt	Ger	42	24	131,468†
18	Electrolux	Swe	5	87	129,912†
19	Thyssen	Ger	8	159	127,390†
20	British Petroleum	UK	51	2	126,000†
21	General Electric	UK	5	19	122,328†
22	Imperial Chemical Industries	UK	42	10	122,800†
23	Lovria	UK	91	207	115,621†
24	Mannesmann	Ger	8	150	111,134†
25	Brown Boveri & Company	Swi	4	198	97,500†

† Year-end total.

500 capitalisation by country

Country	\$m	Country	\$m
UK	547,154.9	Netherlands	32,922.9
West Germany	193,080.1	Spain	30,767.8
Switzerland	115,104.3	Finland	9,460.8
France	97,653.4	Ireland	4,718.8
Netherlands/UK	80,601.9	Norway	4,307.3
Italy	75,153.8	Denmark	3,431.1
Sweden	52,033.5	Austria	1,633.3
Belgium	34,753.4		

500 - has been that between Asea of Sweden and Brown Boveri of Switzerland, to create one of the world's half-dozen biggest electrical engineering groups.

As in past years, too, the US has remained by far the most powerful single magnet for acquisitive European companies. The almost total absence of discrimination against foreign bidders for US companies (with the notable exception of defence contractors), the ready access to finance and the appeal of the huge domestic market were all among the factors which continued to draw vast investment westward across the Atlantic.

After several years of rising European stock prices, the mergers and acquisitions business seemed to have taken on a certain maturity. Nearly every

country has experienced at least one strongly contested takeover - the battle for Hero in Switzerland, the struggle for Kluwer in the Netherlands, the international scramble for market share in industrial gases in France are just three examples.

Tactics have often been rough by past standards. Family shareholders' loyalties have seemed less certain in the face of dizzy prices on offer from predators. European institutional shareholders have likewise seemed to feel less tied than in the past by historical links with managements and more willing to vote their stock aggressively. Companies in many countries that feel vulnerable to bidders have, for their part, been increasingly building up their defences.

For the best in
international banking,
read
between the lines:

Kleinwort Benson

20 Fenchurch Street, London EC3P 3DB



ALLOW US TO PRESENT OUR CREDENTIALS.

State Street is pleased to introduce our complete range of custody and portfolio recordkeeping services for institutional investors in the United Kingdom.

That's how we define Master Trust. And now U.K. pension funds and other financial institutions can enjoy the same quality service our other clients have long enjoyed.

State Street can handle all your recordkeeping chores, no matter where your investments are located throughout the world.

Over the years, we have earned a reputation for prompt, accurate reporting and flawless attention to detail. And we offer all our clients unsurpassed customer service, backed by the latest technology.

State Street comes to the United Kingdom with strong references. With more than \$400 billion in assets presently under our care we are one of the world's largest custodians.

We process over 800 mutual funds and care for 40% of the industry's total assets. And we are master trustee of over \$90 billion in U.S. pension funds.

Our Global Custody Service offers direct access for customers wishing to invest in international markets. From Sydney to Copenhagen, Paris to Tokyo, we can provide you with securities settlement and income collection.

So if you need superior custody service for your investments, perhaps you should consider State Street. Our credentials speak for themselves.

For more information, please contact David Miller, 12/13 Nicholas Lane, London EC4N 7BN England, Telephone: 01-253-4831.

State Street Bank and Trust Company.
Known for quality.™

State Street

State Street Bank and Trust Company, wholly-owned subsidiary of State Street Boston Corporation, 225 Franklin Street, Boston, MA 02109. Offices in Boston, New York, Los Angeles, London, Munich, Brussels, Zurich, Sydney, Hong Kong. Member FDIC. © Copyright State Street Boston Corporation 1987.

European top 500 sector codes

☐ **Accounts**
Consolidated accounts have been

Code	Description	Code	Description
2	Building Materials	41	Agencies
3	Contracting	42	Chemicals
4	Electricals	43	Comglomerates
5	Electronics	45	Shipping and Transport
6	Mechanical Engineering	47	Telephone Networks
8	Metals and Metal Forming	48	Miscellaneous
9	Motors	51	Oil and Gas
10	Other Industrial Materials	55	Utilities
22	Brewers and Distillers	62	Banks
23	Food Manufacturing	65	Insurance (Life)
26	Food Retailing	66	Insurance (Composite)
28	Leisure & Household Products	67	Insurance Brokers
29	Health	68	Merchant Banks
31	Packaging and Paper	69	Property
32	Publishing and Printing	70	Other Financial
34	Stores	71	Financing
35	Textiles	91	Overseas Traders

XREF	Rating	Company	Country	Sector	Rank- in- sector	Turnover					Profit					Number of employees	Year end
						1997	1998	% change	1999	% change	1997	1998	% change	1999	% change		
1444	(CBB)	Ranco de Vilcozes	SPA	20220	62	—	N/R	—	—	—	257.4	173.9	—	49.1	—	N/A	31.12.98
1445	(CBB)	Industria Metalurgica	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1446	(CBB)	Millicom Holdings	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1449	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1450	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1451	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1452	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1453	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1454	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1455	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1456	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1457	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1458	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1459	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1460	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1461	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1462	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1463	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1464	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1465	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1466	(CBB)	British Printing & Comm Corp	SPA	1,969.7	25	126	2,777.9	2,979.4	49.1	89.4	54.4	64.3	24.9	27.8%	—	27,881	31.12.98
1467	(CBB)	British Printing & Comm Corp															

Rank	2005	2006	Company	Country	Market capital \$	Sector	Assets \$	Turnover				Profit				ROCE	Number of employees	Year end
								2005	2006	% change	% change	2005	2006	% change	% change			
201	123	131	Kyocera	Japan	1,425.8	51	146	1,033.2	1,905.9	-4.3	30.0	174.0	126.6	37.6	34.6	17.74	31,126	31.12.06
202	123	123	Har Holdings	Swi	1,422.4	—	—	N/R	N/R	—	—	40.8	29.7	37.1	42.2	8.51	—	31.12.06
203	124	124	China Gas Supply	China	1,413.7	41	—	—	—	—	—	28.0	22.2	35.3	35.3	6.626	—	31.12.06
204	125	127	Stora Enso	Finland	1,374.4	31	339	1,139.4	1,279.4	-0.9	12.0	132.0	132.0	35.1	32.0	1.944	—	31.12.06
205	127	121	Ericsson LM	Sweden	2,276.1	5	71	4,701.7	5,156.1	-2.4	175.9	113.4	55.1	12.7	72.57	72.57	—	31.12.06
206	128	128	Radisson International	UK	1,369.0	48	139	2,035.7	2,399.4	1.9	318.5	150.3	386.2	20.8	18.429	18.429	—	31.03.06
207	129	130	Wanji	China	1,354.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
208	130	131	Shenji	China	1,363.7	48	139	2,035.7	2,399.4	1.9	318.5	150.3	386.2	20.8	18.429	18.429	—	31.03.06
209	131	132	Victoria Leisure	Spain	1,354.9	48	139	2,035.7	2,399.4	1.9	318.5	150.3	386.2	20.8	18.429	18.429	—	31.03.06
210	132	133	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
211	133	134	Amperad	UK	1,348.2	5	330	498.5	221.7	103.5	122.7	32.9	32.7	176.5	5.9	30.936	—	31.12.06
212	134	135	English Chain City	UK	1,343.9	10	339	1,121.7	1,162.9	3.5	147.3	161.1	31.1	17.2	30.936	30.936	—	31.12.06
213	135	136	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
214	136	137	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
215	137	138	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
216	138	139	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
217	139	140	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
218	140	141	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
219	141	142	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
220	142	143	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
221	143	144	Shenji	China	1,343.9	9	12	1,254.9	1,315.7	4.9	31.7	117.7	117.7	32.0	32.0	1.944	—	31.12.06
222	144	145	Shenji	China	1,343.9	9	12	1,254.9</										

Ranking	Year	Company	Country	Market capital \$ mil.	Sector	Ranking	Turnover		% change	Profit		% change	Number of employees	Year end
							this year	last year		this year	last year			
2567	1996	Company												
2568	1996	Banco Hispano Americano	San J	1,260.3	24	943	287	581	275.6	196.9	67.4	ADCE	915,342	31.12.96
2569	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2570	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2571	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2572	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2573	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2574	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2575	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2576	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2577	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2578	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2579	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2580	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2581	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2582	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2583	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2584	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2585	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2586	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2587	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2588	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2589	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2590	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9	1,260.3	1,260.3	94.9	ADCE	915,342	31.12.96
2591	1996	Bank of Montreal	UK	1,260.3	34	1,260.3	1,260.3	94.9						

=ROCE calculated on capital employed at year-end, †=ROCE calculated on shareholders' funds, Δ=ROCE calculated on shareholders' funds after charging interest on loan capital not stated separately, §=Employees at year-end, ¶=Parent company accounts, ¶=Previous year's figures adjusted for accounting changes, * = See footnotes.

* 9000 (Aescularcam), profit is net of tax. 234 British Gas, Stock Exchange listing 12/86; 27 Roche Group, profit is net of tax. 28 C&S-Galaxy, profit is net of tax. 29 Borsparthena Werke, turnover—worldwide consolidation, profit—domestic Germany, 1985 figures are based on consolidated figures for 1984. 30 3 months to 31/12/86, 49 Taca Sables (Heldings), this year's figures are for 53 weeks to 28/2/87. 54 Blue Group, profit is after exceptional change of \$208.3m (nil carbon assets write-down). 76 Padman, Stock Exchange listing 3/87. 63, 73B Telcel, 1986 figures are for 12 months to 31/12/86. 65 Televisao Brasileira, Stock Exchange listing 12/86. 104 Alamosa (Aescularcam), profit is net of tax. 116 Costa Vivilta, this year's figures are for 13 months to 31/12/86. 134 Smith & Nephew Association, this year's figures are for 53 weeks to 31/8/87. 152 Ralls-Royce, year-end capital. 243 Adia, ROCE based on capital employed after charging interest on capital. 244 Scottich & Newcastle, ROCE based on capital employed after charging interest on loan capital. 257 Turner & Newall, 1985 figures are for 53 weeks to 31/8/87. 263 T. M., formerly Turner & Newell. 266 Ultramar, figures are net for discontinued operations. 277 Unimig, profit is net of tax. 280 Perrier, Ascora, this year's figures are for 53 weeks to 31/12/86. 282 Boreyages, change in scope of consolidation means that 277 years' figures are not comparable. 283 Boreyages, change in scope of consolidation means that 277 years' figures are not comparable.

206 S.E. Warburg Group, formerly Mercury International. 234 Northern Foods, Figures prepared in accordance with merger accounting principles. ROCE based on capital employed assuming merger with Mayne Foods effective at beginning of year. 236 Anglo-Spanish, turnover through demerger of Imperial Continental Gas Association Ltd. 237 Accor, figures are for 53 weeks to 31/8/87. 238 Anglo-Spanish, turnover through demerger of Imperial Continental Gas Association Ltd. 301 Naves, Agency, ROCE based on pre-tax after charging interest on loan capital. 304 Creditanstalt-Bankverein, Profit is net of tax. 305 Banque Bruxelles Lambert, Profit is net of tax. 313 Banque Alliance Internationale. This year's figures are for 6

Continued on next page

Oil and poll lifted London

The list of companies new to the Ft 500 is dominated by privatisation issues, together with a group of large companies which have been floated on the market over the past year. They include Morgan Grenfell, the merchant bank; Avis Europe, an offshoot of the American hire-

which have been notable in the market over the past year. They include Morgan Grenfell, the merchant bank; Avis Europe, an offshoot of the American car rental business; and Virgin Group, the pop music and entertainment business headed by Michael Richard Branson.

Oper, the specialist packaging and printing group; Breat Walk, the leisure and property development business headed by Mr George Walker; Bark, Debsa, the food retailer and confectionary group, which has been turned round from losses to profits; management; and WCCS group, the rapidly expanding advertising agency.

Some of the new entrants may grow into businesses that challenge for the very top rank of British companies. The problem for investors is choosing the winners from the rest - particu-

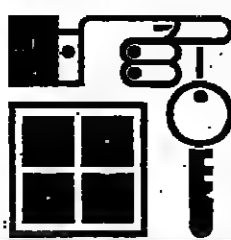
Martin Dickson

151-200		Turnover					Profit					Number of employees	Year end		
1987	1986	Company	Market cap.	Ranking	1986	1987	% change	1986	1987	% change					
1987	1986	Associated British Ports	526.2	48	254	150.0	138.2	-8.1	26.0	17.2	51.1	1039	6,395	12,126	
1987	1986	Barclays Discounting Group	115.3	63	100	49.0	49.0	0.0	1.0	1.0	0.0	13	1,167	11,167	
1987	1986	Victorias	520.3	49	308	161.8	131.2	-18.3	54.0	35.1	35.0	492	2,545	11,126	
1987	1986	British Industries	117.7	62	101	117.7	117.7	0.0	0.0	0.0	0.0	13	1,177	10,177	
1987	1986	Chico	514.7	47	301	243.0	619.7	256.6	40.0	35.2	15.0	492	2,545	11,126	
1987	1986	London & Saint, Marine Oil	513.6	50	216	183.8	340.0	87.1	44	118.0	74.2	61	301	11,126	
1987	1986	Carlson & Co.	503.5	45	205	187.2	187.2	0.0	18.7	18.6	0.1	67.5	162	10,162	
1987	1986	Rockwell Power	500.6	46	212	187.2	132.1	-29.4	18.7	18.6	0.1	67.5	162	10,162	
1987	1986	Norcor	497.1	49	119	607.2	101.9	8.9	33.2	43.1	17.9	22.6	13,276	11,357	
1987	1986	Harco	497.1	50	120	505.0	168.2	18.8	12.2	13.1	7.4	24,061	12,126		
1987	1986	Maraca	497.1	2	125	556.6	-0.9	94.2	26.4	39.0	17.4	13,966	11,126		
1987	1986	Davson International	480.9	39	146	324.4	855.2	17.2	66.7	62.1	10.9	26.7	10,811	11,357	
1987	1986	Great Portland Estates	468.4	44	144	NR	NR	-	22.1	16.7	12.6	16.8	NA	5,167	
1987	1986	Imperial Chemical Industries	476.1	46	145	NR	NR	-	64.0	64.0	0.0	4.0	4,000	11,126	
1987	1986	Hypernova Commercial Holdings	470.7	2	139	564.2	365.8	-8.9	43.0	33.5	22.3	20.8	7,209	11,126	
1987	1986	Octopus Publishing Group	468.1	38	220	582.4	136.3	-14.1	26.0	-20.4	27.4	45	1,126		
1987	1986	Subsidiary (Chartered)	468.1	39	221	582.4	136.3	-14.1	26.0	-20.4	27.4	45	1,126		
1987	1986	Casella Group	462.7	4	130	779.4	803.8	0.8	84.5	84.5	0.0	19.5	11,817	11,126	
1987	1986	HL Sarned Group	462.7	5	131	779.4	803.8	0.8	84.5	84.5	0.0	19.5	11,817	11,126	
1987	1986	Delta Group	462.7	29	248	438.8	408.2	-6.8	34	34	0.0	4	2,000	11,126	
1987	1986	Delta Group	462.7	29	248	438.8	408.2	-6.8	34	34	0.0	4	2,000	11,126	
1987	1986	First National Finance	462.5	6	149	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	11,126
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.4	15,175	
1987	1986	Adia Group	462.5	7	150	533.6	555.8	-0.6	57.8	59.4	2.6	14.2	26.		

[illegible]

2015-2016			Percent										Number of companies		Year end	
Rank	Company	Market cap.	2015	2016	2015	2016	% change	2015	2016	% change	ROCE					
231	22877	Heung Robinson Group	2574.6	67	—	NR	—	30.4	17.4	18.3	36.2	5,407	31,337			
232	23033	Singapore River Corporation	2574.6	3	—	NR	—	27.4	4.6	26.8	26.2	297	21,226			
233	23033	AMC	2574.6	3	—	NR	—	72.0	—	—	—	14,698	20,426			
234	23033	Protonic Properties	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
235	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
236	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
237	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
238	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
239	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
240	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
241	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
242	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
243	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
244	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
245	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
246	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
247	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
248	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
249	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
250	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
251	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
252	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
253	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
254	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
255	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
256	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
257	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
258	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
259	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
260	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
261	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
262	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
263	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
264	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
265	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
266	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
267	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
268	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
269	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
270	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
271	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
272	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
273	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
274	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
275	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
276	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
277	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
278	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
279	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
280	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
281	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
282	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
283	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
284	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
285	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
286	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
287	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
288	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
289	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
290	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
291	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
292	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
293	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
294	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
295	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
296	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
297	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
298	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
299	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			
300	23033	—	2574.6	66	—	NR	—	—	37	121.4	24.4	42	31,337			

FINANCIAL TIMES SURVEY



This year urban renewal and the future of Britain's inner cities have soared to the top of the political agenda.

Hazel Duffy and Alan Pike look at the steps that are being taken to weld a jigsaw puzzle of local initiatives into a coherent, national programme for regeneration.

A matter of priority

URBAN RENEWAL is critical to bringing about a more balanced use of human and physical resources in Britain. The Government has implicitly recognised that it will not come about through the growth of the economy as a whole, and it has therefore become a matter of political priority.

The problem spans the entire social spectrum, taking in unemployment, crime, drug abuse, health, education and poverty, as well as the immediately visible areas of dereliction. The very diversity of the problem has given rise to a wide variety of responses - some planned well ahead, others more immediate - which generally lack co-ordination at the government level.

The very extent of the problem presents a huge challenge to government and other public authorities, and to the private sector. If this challenge can be met by the concentration of their energies on the pursuit of common objectives, there are potential opportunities to be realised along the lines that have been brought into play in some American cities and are beginning to be realised in London Docklands.

But enormous care and pe-

tience on the part of the guiding authorities need to be exercised to ensure that urban renewal does not simply produce concrete monuments in areas of former dereliction, thereby exporting the problem of the so-called inner city to new ghettos of deprivation.

Inner city has become the popular term for the problem of the urban areas. It is perhaps unfortunate, since it ignores the fact that some of the areas in most pressing need of renewal and refurbishment are not in inner cities at all, but in the post-war housing estates in the outer areas of cities like Manchester and Glasgow, and the huge tracts of land that have been laid waste by the withdrawal of industry.

The policy of governments has sometimes exacerbated the problem. The new towns, for instance, which were designed to remove people and work out of the city, inevitably left behind a residue of poor housing and workplaces in the inner cities. Government grants to help industry expand in the assisted areas have encouraged this movement to greenfield sites.

On top of this official encouragement, people have increasingly shown a preference to

move out of cities. Urban conglomeration like London, Glasgow, and Merseyside have been losing population sometimes at the rate of 1-2 per cent a year.

There are few signs of a reversal of the trend, except in Greater London, where the most recent population figures have shown a tiny increase. Despite the enormous strides that have been made over the past 10 years in transforming the centre of Glasgow, the city expects that it will have lost 5.3 per cent of its 1985 population of 784,000 by 1992.

The Cambridge Econometrics Group forecasts that this shift from city to semi-rural areas will continue. It lies behind the group's prediction that East Anglia, followed by the South West and East Midlands - areas without large urban conglomeration - will be the regions of fastest population growth between now and the year 2000.

The urban problem has tended to be seen as separate from that of regional inequality in the UK. Smaller cities like Bristol, Nottingham, Leeds - in the more prosperous regions - all have pockets of deprivation, while parts of London have some of the worst problems of the country.

With the exception of London Docklands, which is now being addressed, they are, however, pockets. It is in the North and West Midlands, and in Clydeside - the former sites of steel works, big engineering plants, shipyards - that the scale is multiplied. Industrial obsolescence has also left its ugly mark on the communities of the valleys in Wales and in parts of Belfast.

The problem intensified dramatically with the recession of the early 1980s, which took out as much as a third of Britain's industrial capacity, and forced the Government to introduce new ideas to promote renewal. Increasingly, the new schemes have been directed at inducing the private sector to follow up the Government's pump-priming.

Urban development corporations - the first set up by Mr Michael Heseltine, then Environment Secretary, in Docklands and Liverpool - are the cornerstones of Government policy directed at restoring the most extensive blight.

In Docklands, the policy has worked. Some say that because of its proximity to the City and the shortage of development land in London, it could not have failed. It did not look that

way, however, in the first couple of years, when Mr Heseltine persuaded a few big private housebuilding companies to accept the risk.

One of the major tasks in Docklands today is to address the social problems of unemployment and poor housing which exist side by side with existing new property developments.

The Mersey Development Corporation is still waiting to see whether it can succeed in breaking through the private sector's reluctance to put its money into the area. It could come soon, mainly in leisure and retail developments, although even these will only go ahead if they receive public money.

Docklands and Mersey have provided quite different experiences on which to base the five other urban development corporations - four in England, one in Wales - which have only just got under way.

Partnership with the private sector in the foundation of the two grant schemes on which Mr Nicholas Ridley's Environment Department places most importance now - urban development grant, channelled through local authorities and usually paid on

individual schemes, and urban regeneration grant, paid direct to developers on larger schemes. Together with the urban programme, they are costing the Government around £225m this year. Special grants are also available for the recovery of derelict land, made available on schemes to improve the environment and for industrial buildings.

Other weapons in the Government's armoury are simplified planning zones designed to bring land in private and public ownership on to the market. Designation of the first zones is expected shortly.

Simplified planning procedures are also one of the attractions offered by the 23 enterprise zones which have been set up around the UK. Most important, however, is that they give 100 per cent tax allowances on investment in buildings, and 10-year rate holidays from the date of their inception.

The enterprise zone experiment, however, will not be extended. Although some have been very successful in attracting private sector investment - sometimes by making the tax allowances available to individuals - they have been judged too expensive on a cost per job basis.

The Government has thus rejected the idea of tax incentives as a means of bringing in the private sector, although some commentators believe these to have been the key to the success of urban renewal in the US.

Another important element in American schemes is the partnership between the local municipality and the private sector. The Thatcher Government is less disposed to recognise the role that local authorities can play, some of its most important weapons deliberately going over their heads.

This is a mistake, say not only the authorities themselves but parts of the private sector which have built a working relationship with them on urban renewal. This was the message delivered by Mr Norman Wakefield, executive chairman of T J Lovell, to a fringe meeting at the Conservative Party conference.

Lovell - one of several construction companies putting considerable resources into urban renewal - is in partnership with the Halifax and Nationwide building societies through Partnership Renewal of the Built Environment (Probe), an agency with £150m formed to

CONTENTS

The mechanisms: confusing variety of projects
Scale of the problems: physical decay and human despair 2

Private sector developers: performance from the portfolio
Job creation: Training the community 3

Belfast's housing crisis: problem too big for politics
Inner city policy: Whitehall in charge 4

Future of the high street: appeal of out-of-town
US case history: retail health in San Mateo
Profile: Trafalgar Park DC's new chief executive 6

Scotland: no quick answers to the problems
Cardiff: instead of Tiger Bay 7

London: docks are only part of the picture
European Community: a more logical way to treat Cinderella 8

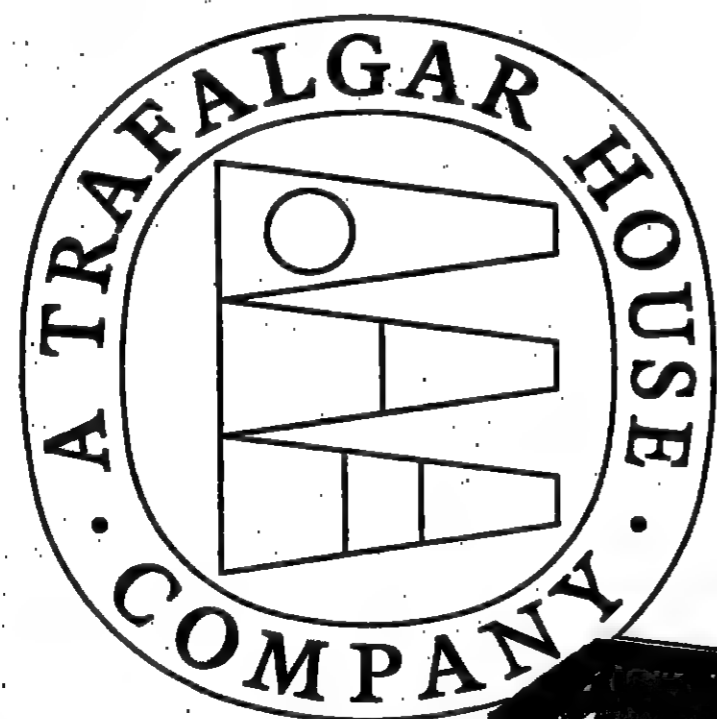
Regent Housing Society's 'The Chandlers' is a partnership venture with the Halifax Building Society and Leeds City Council

bring about joint action in the inner cities with local authorities

Building societies are prepared to play an increasing part in the development of inner cities now that they have powers to own and develop land. They are particularly attracted towards specialist markets, like homes for the elderly and single people. But they are also looking at ways to develop a bigger, and well-balanced, rented sector.

The Chandlers in Leeds city centre, opened last month, is the first scheme in the country to combine public sector grants and private funding through a Halifax index-linked mortgage - a financing method advocated in the new housing White Paper. The £2.5m project, in association with the Regent Housing Society, Leeds City Council, the Environment Department, and English Heritage - will provide homes for single people, for sale and for rent. Single people are seen as crucial to the regeneration of balanced communities in the old inner city areas.

Urban renewal schemes like these are a pointer to areas where the private sector can envisage a return on its investment. They also help to bring confidence back to the cities. But they are only a start of the enormous programme that lies ahead.



THE CHANGING FACE OF BRITAIN'S CITIES

All over Britain, inner city neglect is under attack. Re-building, restoring and revitalising the quality of life in the inner cities is priority. Everywhere. Decay and dereliction are being swept aside as we move determinedly towards the 21st century. At the heart of this vital battle, there is one name that stands out.

That name is Trafalgar House.

With specialists in every field Trafalgar House Companies are developing and constructing new homes, shopping and leisure centres and hi-tech industrial parks. Often in 'partnership' with local government and other public and private institutions. Putting new life into our heartlands. Creating new communities from urban decline. And carving out new opportunities for the young and not so young. Trafalgar House. A famous name in property and construction - playing a famous part in Britain's future.



TRAFALGAR HOUSE

PROPERTY LIMITED

DEVONSHIRE HOUSE, MAYFAIR PLACE, LONDON W1A 1AQ

TEL: 01 499 9010 TELEX 290437

TRAFALGAR HOUSE

BUILDING & CIVIL ENGINEERING HOLDINGS LIMITED

20 EASTBOURNE TERRACE, LONDON W2 6LE

TEL: 01 258 3720 TELEX: 8813442 CHMINT G FAX: 01 724 7975



URBAN RENEWAL 2

The mechanisms

A confusing variety of projects

A WIDE variety of approaches to urban renewal has developed over the last decade. The effect can be confusing to the outsider, as the Government admits. There are schemes which concentrate on the renewal and refurbishment of the fabric, others on training and job provision for people living in urban areas in decline.

In the first category, most involve the concept of public money being used as pump-priming in order to attract private sector investment. In the second, government money and the co-operation of business and industry - sometimes on a scale such as through a local enterprise agency, occasionally with the help of big companies not located in the area - are needed. Occasionally, the private sector takes the lead in an initiative such as that being co-ordinated by Business in the Community in Halifax, and by Phoenix in Manchester and Salford. And, increasingly, large-scale projects bring in both elements.

At the top of the scale, as measured by financial consideration, are the urban development corporations. They are controlled from Whitehall, bidding for their funds annually as part of the public expenditure round. The Government believes this to be the best vehicle for generating renewal in areas where there are large amounts of derelict, or semi-derelict, land and buildings.

The first two were set up in London Docklands and Merseyside. Just as Britain used to attract visitors worldwide to the post-war new towns, so planning and urban renewal specialists flock to Docklands and Merseyside. Docklands, on the doorstep of the City of London, has been by far the most successful in bringing in private investment, most recently for the development of Canary Wharf. The Royal Docks eastwards are the next challenge. Merseyside, where developers have much more difficulty in envisaging growth in capital values and income yields, has so far had far less success on this score.

The new corporations are on Tyne and Wear, Teesside, Trafford Park (near Manchester) and in the West Midlands. They face the huge task of mobilising private sector interest in parts

of the country which have fallen victim to the industrial shake-out of the early 1980s. In Cardiff, the challenge is to put life back into the old docks area. The time span for renewal in these areas could be a generation.

Belfast is pressing for an urban development corporation to help develop a large area on the riverside, while corporations covering smaller areas are also in the Government's plans.

Some local authorities have had considerable success in getting the ball rolling, without the aid of the extra funds which come with corporation status. Notable among these is Salford Council, which had the foresight to buy the land around the docks a few years back and thus avoided the problems of disparate ownership of land. A new hotel, office developments and leisure facilities are helping to transform this particular area, the start of an ambitious programme between the council and private developers.

Glasgow is where the most dramatic advances have been made, starting with the renewal of the rundown eastern part of the city which was under the management of the Scottish Development Agency, and spreading to the area known as Merchant City. Some £320m of public money has gone into the east Glasgow renewal, which generated £150m of private sector investment. The next big push is on the south bank of the Clyde, the scene of next year's Garden Festival, another means of promoting urban renewal which was tried first in Liverpool.

All of these projects have needed substantial government funds. Considerable amounts of money have also been made available through the Regional and Social Funds of the European Community. Brussels is anxious that EC money should have a higher profile in urban renewal in the UK, and that funds should be concentrated more on certain deprived areas rather than spread around. Plans for Birmingham have been backed by Whitehall and submitted to Brussels for consideration in this category.

Government money is forthcoming through a variety of mechanisms such as derelict land grant, urban programme money, urban regeneration grants, etc. The newest is urban

regeneration grant, paid directly by the Department of the Environment to the developers of sites of a minimum 22 acres. The first, for £3.25m, has been agreed on an old steelworks site in the Pudsey area, where new industrial premises will be built. Ambitious schemes for the development of large sites have been submitted to Whitehall, such as that for the redevelopment of the Whitworth Street area in Manchester, which the Phoenix Initiative is co-ordinating.

Another proposal before the Environment Department is that from a consortium of private sector construction companies and Birmingham Council. The plans are for large-scale rehabilitation of the Aston area of the city, but it remains to be seen whether the Government will be prepared to meet funding on the scale of one of its urban development corporations. Birmingham Council has agreed to ask the department to designate the area as one of the new simplified planning zones - another mechanism by which the Government hopes to promote renewal by speeding up the planning mechanism.

These schemes are ambitious. To be successful, they must generate private investment. The Government has set a target of around £4 from the private sector for every £1 of public money. On many single projects financed by urban development and derelict land grants, this and better gearing have been achieved. But on some of the larger scale plans now being considered, a less favourable ratio may well have to be granted by the Government, at least in the initial phases, in order to inject the confidence which will, it is hoped, result in the desired ratio at a later stage.

At the other end of the scale, numerous projects have been launched with local authority and central government money, help from local companies and voluntary sections - often in the form of management and professional time - like that for the conversion of a former public baths into a community centre in Handsworth. With the aim of improving the lives of the residents, such schemes can often have more relevance than those designed to attract the developers.

Hazel Duffy

The scale of the problem facing Britain's big cities

Physical decay and human despair

RIOTS IN a number of Britain's inner cities during the 1980s have added a final dramatic climax to the painful spiral of social and economic problems which afflict many of these areas.

There is no single inner city problem. Lack of jobs, poverty, crime, drug abuse, bad housing and a generally inadequate environment all exist side by side and complement each other, sometimes on a scale which can appear to defy solution.

Unemployment rates of 30 per cent or more remain common in deprived areas of Britain's big cities and among some groups, like ethnic minorities, can be much higher. The rise in unemployment has been the major cause of the increase in the number of families drawing supplementary benefit and, in many cases, living on the margins of poverty.

The Child Poverty Action Group, in a recent report on poverty, concluded that it is most intense among the long-term unemployed, many of whom are concentrated in old urban areas.

"The North has consistently had a higher rate of unemployment than the South-East. Yet this should not hide the fact that within regions there are also great inequalities - for example in the inner-city London borough of Hackney, the unemployment rate is as high as 31 per cent."

This disparity between and within regions applies not only to unemployment, but to other social issues like health. Several reports this year have concentrated on the existence of a North-South health divide. The Health Education Council, in its final report, drew attention to

the fact that death rates are highest in Scotland, followed by the North and North-West of England. They are at their lowest in the South-East and East Anglia.

"What is becoming increasingly clear from fresh evidence is the great inequalities which exist between communities living side by side in the same region," says the report.

This aspect of the question was highlighted in Poverty and Labour in London, by Prof Peter Townsend, Professor of Social Policy at Bristol University, published earlier this year. Prof Townsend pointed to a strong relationship between social deprivation and death rates in the London boroughs. Death rates of males aged 40-44 and 50-54 in the inner-city boroughs of Tower Hamlets and Hackney were twice as high as those of

outer boroughs like Bromley.

A report on the inner cities by the Royal Institute of British Architects says the inner-city crisis can be measured in housing statistics, the decline of investment, depopulation and unemployment. "Deprivation has been measured by successive governments in various ways - all these draw a picture of wasted resources, physical decay and human despair."

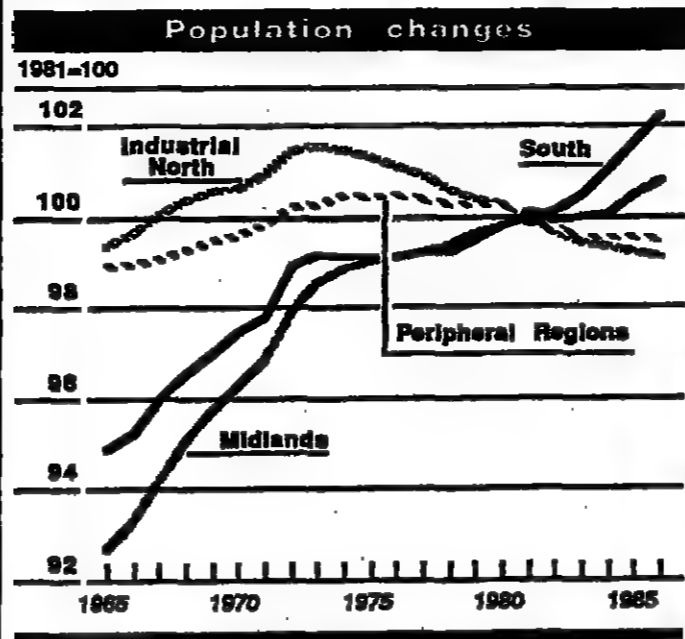
The English House Condition Survey in 1981 identified 4.8m dwellings - 24 per cent of the housing stock - as unfit, lacking basic amenities or needing substantial renovation. There were now 877,000 dwellings unoccupied, most of them in the inner cities.

Mr Norman Fowler, Employment Secretary, declared last month that the most serious challenge facing the inner cities is jobs.

He said his department had two objectives - to ensure that more jobs were created in the inner cities, and also ensure that those jobs went to residents of inner city areas. In an effort to achieve these objectives, the Government would be:

- targeting the Enterprise Allowance Scheme and Small Firms Loan Guarantee Scheme more specifically on the inner cities;
- supporting local enterprise agencies;
- enabling the unemployed in the inner cities to make maximum use of the Jobcentre service, including the appointment staff to assist ethnic minorities;
- opening up maximum access to training opportunities.

Alan Pike



Urban-Rural Contrasts in Population Change

Percentage changes 1971 to 1986

	South	Midlands	Industrial North	Peripheral Regions	UK
Conurbations (over 500,000)	-1.1	-0.0	-7.4	-4.8	-2.2
Large cities (250-500,000)	-5.5	-4.7	-0.8	-2.8	-1.1
Large towns (70-250,000)	3.0	8.8	-0.8	-2.2	1.5
Small towns and rural areas	13.5	10.6	10.5	5.7	10.4
All areas	3.9	3.7	-4.6	-0.4	1.8

Source: OPCS, Scottish Agency of Statistics and MAA Abstract of Statistics.



Amie Katsis, Rotherhithe - to become new and refurbished rented houses in Barratt East, London's latest partnership project in London Docklands



EDINBURGH



LONDON



LIVERPOOL



BIRMINGHAM

THERE'S A LOT OF TALK ABOUT URBAN RENEWAL. BUT IT'S NOT ALL TALK.

Without detracting from the gravity of inner city decay, it needs saying that a positive start has already been made on reversing the downward trend.

It needs saying because a climate of opinion which is all gloom and doom only makes people despondent and inhibits action.

And that is the last thing anyone needs.

In the past decade Barratt have been involved in several hundred major inner city schemes of which some 150 have been joint ventures with Local Authorities. The challenge of transforming rundown urban areas is enormous and, realistically, joint ventures are often the only way they can be tackled.

However, by going into partnership with Local Authorities, Central Government, Housing Associations, Building Societies and other bodies, we have been able to create literally thousands of modern, secure homes for mixed tenure occupation. Homes for rent. Homes for sale at affordable prices or through shared ownership.

As a result Barratt have acquired invaluable experience in organising projects involving large numbers

of interested parties. And the Barratt national network of offices is familiar with specific local conditions and problems.

Large projects, small developments, refurbishment or redevelopment - Barratt can provide a complete package of services or operate a la carte.

So get the rates and rent potential of depressed housing flowing once more. If you want to do more than talk about urban renewal - contact Barratt at any of the numbers listed below:

SCOTLAND: Brian Leith, 041-226 3891
NORTHERN ENGLAND: Ernie Taylor, 061-736 7369
MIDLANDS: Terry Wilkes, 021-550 0303
SOUTHERN ENGLAND: Richard Reynolds, 01-555 3242



BARRATT

Putting the heart back into our cities.



Metamorphosis

a natural development - a change of form

When it comes to urban renewal projects, we can't claim any superficial records. But we do claim to have added an unusually large helping of real commitment to the bricks and mortar of our urban regeneration schemes.

For Abbey is a company wedded first and foremost to the housing needs of people. And this isn't a hastily-conceived policy to suit fashionable new initiatives for the inner-cities. It's been a fundamental part of Abbey's construction programme from the word go.

We build for people - and always have.

That's why we've been transforming urban area wastelands and eyesores for many years, taking ugly, redundant sites and replacing them with attractive, well-designed and, above all, affordable homes for families. Not just in London, but in the unsung (and equally decayed) areas of the industrial South East.



We could cite many examples, but the embryo project above is typical. That dangerous, rubble-strewn blot on the landscape of Edmonton, North London, used to be a bus station.

Now a metamorphosis is under way. Soon, Abbey's famous butterfly will be fluttering over 130 super new one and two bedroom homes. The sort of homes that local people and youngsters starting their own families can afford.

Houses and apartments that are, additional to Britain's existing housing stock. Abbey saw the need for this kind of development a long time ago and has been quietly getting on with it ever since.

And while the need remains, so will our commitment.

Abbey New Homes

THE NATURAL DEVELOPER

Abbey Homesteads (Developments) Ltd, Star House, Mutton Lane, Potters Bar, Herts EN6 2QR Tel (0707) 51366

A MEMBER OF THE **Abbey** PLC GROUP OF COMPANIES

URBAN RENEWAL 3

Why private sector developers are still wary of the inner cities

Performance from the portfolio comes first

"PROPERTY IS the key to unlocking the problem of the inner cities," Sir Robin Duthie, the chairman of the Scottish Development Agency, recently told an audience of chartered surveyors at Glenagelea.

But the key will not turn in the lock until private sector developers decide that the balance of risk and reward is tilted in their favour. Nor will it move until the financial institutions are satisfied that they will obtain not only a yield on their inner city investments but a capital gain as well.

While investment has sometimes followed where there are tax concessions to stimulate development, it is also true that there is no great movement of funds out of the South-East into other regions.

For a developer, building a new office complex on Tyneside with rents at between £8 and £7

a square foot makes little sense if the market will not throw up £2.50 to provide what he sees as an adequate return on the initial investment. And if the figures do not stack up for the developer then they are unlikely to stack up either for the bank which might provide the project finance or for the ultimate buyer of the property.

The official system of grants and incentives - basically a more complicated and varied version of inducements that have been available since 1935 - goes some way to meet this financing gap. Yet the existence of the gap is a reflection both of the internal economic dynamism of the town in question and of the dynamism of the economy in general.

For the purposes of the potential property investor the local dynamism is arguably the most important factor. This explains

why investors have been laggardly in putting up funds for industrial and office developments but have been prepared to look at retail property pretty well anywhere.

There has thus been an explosion of retail property development that has left no part of the country untouched. Spotty economic prospects have not deterred retail developers, confident that, from Liverpool to Teesside and from Glasgow to London Docklands, there is disposable income and easy credit to sustain the consumer boom.

Still, this remains important for the wider process of urban renewal. There is no city in existence where the downtown retail sector is troubled and the other components of city life remain unaffected. To foster office development, housing or cultural amenities around a lifeless retail core is virtually

impossible," says Mr Robert Carey, president of Urban Centre Developments, the San Francisco company which provided consultancy services to the original development team at Canary Wharf in London Docklands.

For developers and institutions alike, the risk-reward sum in retail property has tilted this decade firmly towards reward.

Hence the reclamation of derelict land at Gateshead and Dudley for massive shopping developments respectively undertaken by Cameron Hall Developments (the early phases of which were bought by the Church Commissioners) and Richardson Developments. Hence, too, the presence of retail developments in the plans for reclamation projects in Cardiff, Teesside and Merseyside.

Here the development drive chimes in with the broader

movement of the economy to the extent that, this decade, total returns on retail property for the investing institutions - insurance companies, pension funds and property unit trusts - have been higher than for other property sectors.

The latest figures from the Investment Property Databank show that the total return for retail property between 1980 and 1986 was 12.6 per cent, against 7.7 per cent for offices and 6.5 per cent for industrial property.

The point about this is that, for the developers, often not wishing to retain a project, the institutions have traditionally been the ultimate buyers. The institutions have been ready to buy retail developments outside the central London area than other forms of property. Developers are loath to start projects unless they feel reasonably assured that there will

be a buyer at the end of the day.

The institutions are crucial. Leaving aside retail property, developments in the inner cities broadly split between those for owner-occupiers and those for leasing. It is in ownership of the properties for leasing that there is slack in the market for the institutions to take up if they will.

The experience of the Isle of Dogs in London Docklands has shown that owner-occupiers are prepared to invest in new developments where they are offered tax concessions which make cheaper the expansion they were probably planning anyway. But the leasing market is something else.

Although Guardian Royal Exchange has developments in London Docklands, the presence of the institutions in the market is scarcely overwhelming. Yet the commercial pro-

pects of London Docklands, given its position at the centre of the most prosperous region of the country and its proximity to the City, are brilliant compared with the derelict areas of other cities.

This reluctance is based on simple reasons. Mr Ian Cockburn, the investment manager at Electricity Supply Nominees, one of the biggest pension fund property investors, says that the primary function is to get performance out of the portfolio. We only have a duty to go down the road if we meet that. To buy for social reasons is totally wrong.

Greater interest by the institutions would probably draw in its wake greater interest from the banks in providing the short and medium-term finance for inner city developments. The explosion of property lending

by the banks has never disguised concern about eventual buy-outs of developments.

But a survey of banking preferences in the property market, undertaken by Debenham Tewson and Chinnocks, chartered surveyors, showed that in any case the enthusiasm to lend dropped sharply outside the South-East region.

There is then a financing vicious circle - concern about buy-outs throttles the loan finance and in turn stifles the developers. Finding a way to break into that circle is likely to be more important for the urban renewal programme than any amount of Government rhetoric or another variation on the grant system.

Paul Chesswright
Property Correspondent

Job creation

Training the community

JOB CREATION is a key element of urban renewal strategy, and in the case of most of Britain's inner cities this means skills creation as well.

Many of the jobs - both skilled and unskilled - which traditionally provided employment in inner city areas no longer exist.

A combination of this and other factors has produced a legacy of exceptionally high unemployment in such areas, much of it among people who are either unskilled or whose skills have become redundant. And there is a danger that, even as new jobs are created, they will bypass the inner city population and be filled by people already equipped with new skills travelling from other areas.

This is leading to the establishment of a range of schemes to improve the skill level of people living in the inner cities, and increase their chances in the employment market.

In some of the areas worst affected by high unemployment, this is not an easy task, since it by no means clear precisely what skills will be in high demand in coming years. This means that training, particularly among young people, has to be aimed at keeping up their motivation and making them sufficiently adaptable to seize whatever opportunities arise. It can also involve preparing unemployed people for something other than a conventional job.

In Cleveland, one of the areas worst affected by unemployment, the Government's North Central Middlebrough Task Force is funding a census of

skills among the local population to help bring together people who can start group projects which will benefit the community as well as create jobs.

Cleveland is also the location for a novel approach to training modelled on a successful Australian scheme, Community Improvement Through Youth (CITY). The Cleveland version, launched in September, is called Create and is intended to foster the development of an enterprise culture in the county through community projects.

Trainees will acquire the skills needed to establish and run an enterprise by designing and managing community projects. This distinguishes Create from other enterprise training schemes, most of which are aimed at preparing trainees for small business start-up and self-employment.

The promoters of Create say that many people in areas of high unemployment like Cleveland need a realistic opportunity of starting their own businesses. But the scheme is intended to give them the same type of training through running community projects, and provide a response to the fact that the Cleveland community faces rapid change and needs to develop a culture that recognises initiative and fosters enterprise skills.

It is intended that 3,000 people should receive enterprise training in this way during Create's first three years - half of them unemployed, and the others recruited via schools, the Youth Training Scheme, Com-

munity Programme, Job Training Scheme and private companies.

The programme has initial funding for the first three years from the Manpower Services Commission, local authorities and private employers, notably Florida UK. If successful, it could prove the forerunner for a national scheme.

For many people living in the inner cities, the MSC's Community Programme continues to provide the most realistic alternative to unemployment, and sometimes a stepping stone to a permanent job.

Task Undertakings, with its headquarters in Birmingham, was set up in 1982 following an initiative by the Prince of Wales. It provides Community Programme places in inner city areas of the West and East Midlands and London, and more than half the 5,000 people who have been through the organisation's scheme have subsequently found permanent work.

About one-third of the people taking part in Task Undertaking's project are from ethnic minorities. There is a particularly strong need for improved training opportunities for members of ethnic minority communities - they make up a large proportion of the population in most inner city areas, and unemployment rates are double those for the white community.

The Government last month announced the expansion of the Industrial Society's Head Start in Business training scheme in the Department of Trade and Industry's inner city task force areas.

Headstart incorporates a number of initiatives aimed at improving education-industry links, as well as offering enterprise training to potential young entrepreneurs in the inner cities. Last year 75 young people were given this form of training - backed up by support from their local business communities - to help them start their own businesses.

The scheme has been operating for the past year in the inner city task force areas of Middlesbrough, Leeds, Leicester, Bristol and North Peckham and North Kensington in London. It is being extended to Handsworth in Birmingham, Moss Side in Manchester, Spitalfields in London and Hartlepool.

In a report on the first year of the project, the Industrial Society finds that many unemployed people in the inner cities have 'developed skills and determination' which could be used to form the basis of their own businesses.

Many ethnic communities also have a very successful track record of setting up in business - the Asian, Vietnamese and Chinese communities for example. As a result there are already many small firms, often family-based, in the inner cities and there are people capable of self-employment who need training, contacts and funds.

But, says the report, small businesses in the inner cities face particular problems. These include difficulty in obtaining finance to expand, restricted marketing, poor presentation - from shop fronts to customer service - and poor links with established local companies.

Alan Pike

LOCAL AUTHORITY

You don't need a university degree to be an authority on urban decay. The answers are written all too clearly on the faces of the people and on the walls and doors of their neglected, vandalised homes.

But the problems of urban renewal are local problems and only local solutions, unique to each community, can be meaningful at all.

Leading the country in effective 'partnership' solutions to the problems of housing is Lovell.

Because Lovell first pioneered the partnership concept in the early 70's our 15 years' experience is unique.

Not just in finance and not just in environmental skills, but in total development expertise - gained from working with over 60 different local authorities on over 100 partnership schemes to provide some 7,000 families with their own low cost homes.

For anyone about to challenge the daunting economics and logistics of regeneration, Lovell's understanding of public sector needs is exceptional.

It offers an expanding range of urban and 'greenfield' initiatives including major new funding and development opportunities such as 'P.R.O.B.E.' - our Partnership Renewal of the Built Environment.

But to find out why local housing is a subject on which Lovell speaks with some authority, just call Ted Wakeham or Don White now on 0793 618824 and ask for a copy of 'Inroads'.

Lovell

LEADERSHIP IN PARTNERSHIP /// URBAN RENEWAL

Lovell Partnerships Ltd, Partnership House, Wootton Bassett Road, Swindon SN5 9NW. Tel. (0793) 618824. Fax. (0793) 612757.

BRICK. AN INVESTMENT TO APPRECIATE.

BRICK KEEPS BRITAIN BEAUTIFUL

URBAN RENEWAL 4

Britain's housing crisis: 'more talked about than acted upon'

A problem too big for politics

IF YOU put a profit and loss account to it, then perhaps we can't afford it. But we can always cope when there is an emergency and I say we have an emergency in housing now.

Mr David Goldstone, managing director of Regalian Properties, becomes understandably frustrated with the amount of talk about inner city regeneration. Regalian was actively creating homes out of slums and surplus urban buildings long before renewal became the highly fashionable political issue it is today. And although it is less than a year since the Prince of Wales verbally keel-hauled housebuilders for concreting over the Green Belt, Regalian was by no means the only developer building on reclaimed factory sites or partnering local authorities, housing associations and building societies in refurbishing run-down housing estates and unused railway sidings.

In fact, less than 40 per cent of the country's new homes are now built on greenfield sites, and the proportion is even lower in the South-East.

The commercial housebuilders are, then, doing their bit. Yet the number of homeless continues to increase.

Although Mr Nicholas Ridley, the Environment Secretary, may have to take on extra junior ministers to accommodate the invitations he now receives to make suitably impressed tours round modernised council properties and reclaimed building sites, the blunt fact is that current urban renewal programmes are barely denting the surface of the problem.

The English Housing Conditions Survey of 1981 revealed that 4.3m dwellings, 24 per cent of the housing stock, were unfit to live in, lacking basic amenities or requiring substantial renovation. Council house building has ceased to be a major factor in the market since then, with annual completions falling below 35,000 and new private sector completions barely keeping pace with the basic housing replacement needs, let alone improving the overall housing stock.

In addition to deteriorating homes, there are now nearly 700,000 homes, most of them in the major metropolitan areas, lying vacant. For the most part, they are empty because they are uninhabitable.

In the International Year of Shelter for the Homeless, Britain's housing crisis remains



Older properties being refurbished in Bury, Lancs, earlier this year

more talked about than acted upon.

And some of that talk costs homes. Mr Ridley was clearly following through the Prime Minister's immediate re-election commitment to inner city renewal when he recently clamped down on southern county councils' Green Belt erosion plans.

Mr James Barham, chairman of Hertford-based builders Rialto Group, spells out just what this unambiguous ministerial commitment to help concentrate development in the problem city areas means for his part of the country. "It has been a complete Government U-turn," he says. "The county council was ready to accept, and had recommended, that selective development should take place. That was rejected."

The relevance to inner city renewal of that, and similar decisions on other county structure plans is that, by drawing a "no-build" line around all the areas covered by the old Green Belt regulations - whether that land happens to be semi-rural industrial sites, rubbish tips, or any other form of non-urban highland land - the Government has further restricted housebuilding in the areas where people want to live. These restrictions on development compound problems in the inner cities by giving a further sharp twist to the spiralling increase in site costs.

A further set of paper borders, this time with a "must build" imperative attached, is

proposed in the form of the Housing Action Trusts.

The HATs would have powers to take over private as well as council housing in a nationally spread variant of the planning powers that were adopted for the London Docklands Development Corporation.

Mr Goldstone has extensive development experience in London's Docklands as well as in many less publicised inner city areas across Britain, and he welcomes the HATs as "a way of achieving consensus."

"This is a problem that has to be taken out of politics, and I think there is a chance of a far greater commitment on the part of everyone: private developers, councils, government and local people. It has to succeed, since so many people homeless or living in terrible housing erodes the fabric of society. There is a tremendous opportunity here if - and I have to say if - there really is the commitment of action."

The critical importance of partnership in financing and restructuring redevelopment deals is echoed by Mr Richard Reynolds of Barratt, East London. "The local authorities are starting to talk to people like us because they can see if they have an estate with lots of voids and in a condition that they cannot possibly afford to improve, multi-tenure deals can be the answer."

Barratt has made commercial sense of refurbishing major estates that had become "no-go" areas through years of decay by mixing open market sales of flats and houses with price-sub-

sidised sales, fair-rented homes and, while they were still generally available as an option, shared-ownership homes.

Money from open market sales can cross-subsidy the social housing, and Barratt can make a realistic commercial return on its efforts. Mr Reynolds firmly believes that "not enough use is made by councils in bartering land and buildings they cannot develop themselves for money to do their own developments, or in kind to improve their own housing stock."

Mr David Pretty, until recently Mr Reynolds' opposite number as head of Barratt's West London operations and now managing director of St George, a development group, argues that "the councils don't have the financial resources to tackle the problem on their own and so there have to be partnerships where the emphasis is on getting things done rather than talking about them."

There is still, he says, "an enormous amount of derelict land in the ownership of public bodies and there is not the co-ordinated campaign to streamline planning and turn a situation where all the political parties agree something must be done, into activity."

"Builders still have to tread their way through the politics at local level, and decisions taken now won't be translated into homes for two to three years."

Mr Pretty makes the point that "even if you got the land for nothing, building costs are such that if social housing is to be provided, the Government has to accept that there would

need to be a substantial subsidy in one form or another. Without subsidy it would be impossible to build homes for rent at prices people could afford."

The architect Raymond Cecil, of Cecil Denny Highton & Partners, has warned that as the Government promotes urban renewal through a series of initiatives designed to generate commercial and industrial activity, "there is real danger that the deprived and underprivileged will find their problems exacerbated rather than solved. Unhappily, the very increase of prosperity displaces the sub-standard accommodation occupied by this sector of the community, replacing it with homes priced far beyond their resources."

He argues for common sense in the use of local and public authorities' bargaining powers in releasing land so that commercial developments help to subsidise social housing schemes. But he also points out that "it seems unlikely this will happen in most cases, since there is almost exactly the same pressure on local authorities and statutory bodies as there is on private land owners to extract the greatest financial benefit from their landholdings."

Mr Goldstone sees the need for a more profound change in attitudes to break down the current sharp dividing line between commercially viable and social housing.

"There would be a ready market for sales and rentals and a greater opportunity to avoid the situation where we all build in isolation if we would get away from the idea of ghettos of council housing. It will take time to eradicate the so-called stigma of council estates, but it has to go."

As it is the complex partnership of public land and private finance, community compromise on planning and builders' balancing acts between profit, developing and social building at, and often under, cost are only slowly breaking through to the problems of housing in older urban areas.

"In a perfect world," says Mr Reynolds, "all the empty properties that are providing no shelter and creating no revenue would be handed over and we'd have money to get on and build all the homes needed on surplus land made available for development - but it isn't a perfect world, and what we are doing is better than doing nothing."

John Brennan

Inner city policy

Whitehall in charge

URBAN RENEWAL schemes have snowballed in the past few years and with them, the increase in tension between departments in Whitehall, and between local and central government.

The present political framework for urban renewal goes back a decade, when the concept of partnership between central and local government in this sector was set out in the last Labour Government's White Paper on inner cities.

The Environment Department inherited the policy, adapting and adding to it in response to the growing problems of industrial dereliction and city decay. At the same time, the Employment Department was devising policies to address the growing problem of unemployment and the need for training. A special unit was set up on inner cities in the department, which has been maintained. But responsibility for the special inner city Task Force, and City Action Teams, set up by Mr Kenneth Clarke when he was at Employment, were transferred to the Department of Trade and Industry with Lord Young and Mr Clarke after the last general election.

The DTI is also the department with responsibility for regional policy, which is concerned with the administration of grants to industry in the assisted areas with particular emphasis on attracting investment from overseas. The inner city areas sometimes coincide with the assisted areas, but in general inner city policy has been almost completely divorced from regional policy.

Other government offices have a considerable interest in inner cities, notably the Home Office and more recently Education, while the particular problems as they relate to Scotland, Wales and Northern Ireland are handled by their respective offices.

These departments form the nucleus of the new cabinet committee on inner cities. The committee is chaired by the Prime Minister, indicating the importance of the subject to the Government.

But it also recognised that greater co-ordination of the work of the various departments was urgently needed. Ministers and officials have tried to play down the competing claims of departments - notably the DTI and Environment - to be the lead in a policy area



Mr Ridley: 'There is a clash'

where Mrs Thatcher has made it quite clear that she wants to see substantial progress. Nevertheless, there is tension, particularly at the senior level, which is reflected at another level, between central and local government.

Put very simply, some ministers, notably Mr Nicholas Ridley, Environment Secretary, are convinced that the Government, not the local authority, must play the role of agent for economic development, and that it must be done through regenerating the fabric of the worst-hit areas.

"What public capital should be used for is for putting right uneconomic sites which are not part of the commercial property management of an area. We do the uneconomic parts of it. So I think there is a clash between central and local government, if local government wishes to use that money for purposes which are not well-directed," Mr Ridley said recently, on the Analysis programme on Radio 4.

The urban development corporation is the main mechanism in Mr Ridley's policy. They were described by Mr Michael Heseltine, who set up the first two in London and Liverpool, as "in all practical senses... new town corporations in old cities". In all cases, except Cardiff Bay, the corporation assumes the planning powers which normally rest with the local authority. The boards are appointed by Whitehall.

In other areas of inner city policy, Mr Ridley is expanding the scope for direct links between Whitehall and developer, for instance in the new urban regeneration grant. His junior minister, Mr David Trippier,

formerly in charge of small firms policy, has the difficult task of trying to reconcile Mr Ridley's enthusiasm for regeneration through urban development corporations with his own experience of the importance of local advisory and help groups, particularly enterprise agencies, in redressing the drift of population and jobs from inner cities.

Mr Clarke, Industry Minister, has made it quite clear in public statements that local people must have the chance to compete for the jobs that renewal programmes are bringing to the inner cities. If they do not, the risk is that they feel increasingly alienated. The Task Force, with small budgets, and frequently opposed by the local authorities in the areas in which they have been set up, report direct to Mr Clarke. Their job is to improve the opportunities for work for those who live in the inner cities. It is a long, slow task.

Meanwhile the need for greater co-ordination on the ground between government departments was recognised in the setting up of the City Action Teams covering the work of the DTI, Employment and Environment. It is the approach that is likely to find increasing favour with DTI ministers who hope to bring elements of regional policy within its scope.

The variety of problems - economic, social and environmental - which characterise urban deprivation must give rise to different mechanisms to try and deal with them. It is very apparent, however, that more agreement on aims and means to achieve them is needed. It is also notable that in Scotland, where local authorities and the Government's Scottish Development Agency have tended to work together on urban renewal, progress in redressing the problem has been greater. Local authorities also need to be agreed about their objectives, and particularly the need to bring in the private sector, if they are ever to convince government that they have a role to play.

In the US, the scene of many of the urban regeneration models for the UK, the development agencies have frequently been set up by metropolitan authorities. Everything about the outlook of these authorities - in contrast to many in the UK - is designed to work business to their derelict areas.

Hazel Duffy

THE TYNE & WEAR ARE BACK IN BUSINESS!

On the Tyne and the Wear a new climate of growth is being created by a partnership of private business and public agencies.

This is an area where business doesn't stand still.

Look at Tyneside's £150 million MetroCentre.

Encompassing some 2 million square feet, Europe's biggest out-of-town shopping complex now attracts over 200,000 visitors every week.

Just down-river a £30 million expenditure will make the 1990 National Garden Festival bloom and create an exciting stimulus for future investment on the riverbank.

£14 million is currently being injected to transform Sunderland's town centre into a shopping centre for the '90s.

In Newcastle's Eldon Square, averaging around £250 million annual turnover, two thirds of retailers estimate their branches come first or second in their national sales leagues.

Right next door, in company with numerous retail giants like Next and BHS, there's the biggest turnover M&S foodstore outside of Oxford Street.

With an international airport only 50 minutes flight from London, and 10 minutes drive from Newcastle City Centre, business keeps on the move.



And that's where the new Tyne and Wear Development Corporation, working closely with local authorities and the business community, comes in.

Amongst almost 20 miles of riverbank along the Tyne and the Wear, the Development Corporation is seeking to revitalise sites of strategic industrial importance.

Also, to open up new opportunities for festival shopping, leisure development, refurbishment of traditional buildings, new office space, major housing, business and hi-tech parks.

Nearly 6,000 acres cover prime urban and inner-city space in this unique waterscape environment.

More than £100 million of public sector finance will help open the doors for envisaged future development by the private sector.

For further details of the Tyne and Wear Development Corporation's aims and the potential opportunities, contact the address below.

You'll soon discover that the Tyne and the Wear are back in business!

**TYNE
WEAR**
**DEV
CORP**

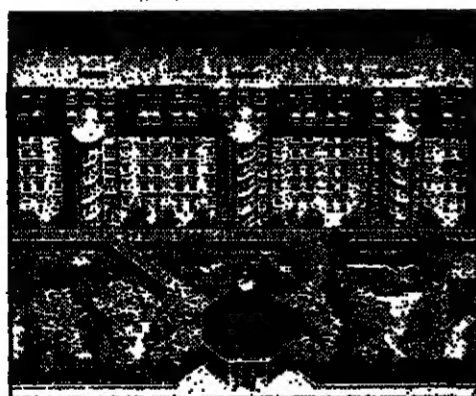
TYNE AND WEAR DEVELOPMENT CORPORATION,
HADRIAN HOUSE, HIGHAM PLACE, NEWCASTLE UPON TYNE NE1 3AF.
TELEPHONE: 091 232 5341. FAX: 091 232 8764.

3832

GOOD REASONS



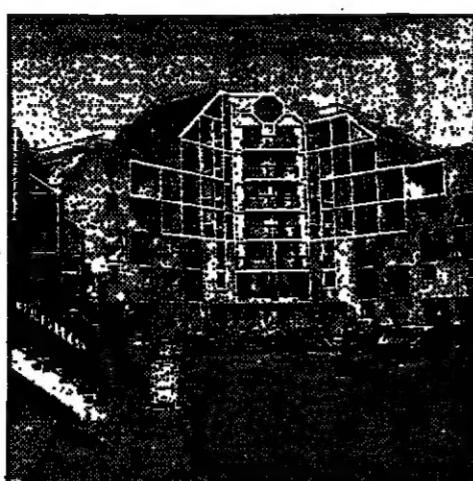
CHARTERHOUSE SQUARE, LONDON EC3
This Art Deco building, set in one of the few remaining private and gated squares in London, was purchased from North West London Health Authority. On completion of refurbishment it will comprise 121 studio, one and two bedroom apartments within the City of London.



WRAY HOUSE, CHELSEA, LONDON SW3
Probably the most exciting former public sector property to come on the market, Wray House will, after refurbishment, provide 130 apartments and penthouses with leisure facilities and underground parking set around landscaped gardens.



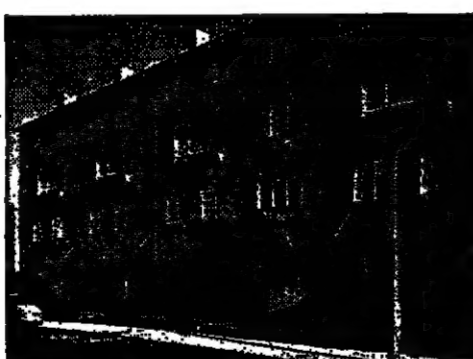
ORCHARD MEAD, FINCHLEY ROAD, LONDON NW2
A substantial block of 30 two and three bedroom flats purchased from the Metropolitan Police. Orchard Mead has now been extensively refurbished both internally and externally to exceptionally high standards.



QUAY 438, WAPPING, LONDON E1
A remarkable transformation of a renowned Thames Dock basin into one of Europe's most innovative developments - 313 homes creating a unique environment.



GLADSTONE COURT, REGENT STREET, LONDON W1
A sample to requirement block bought from the Metropolitan Police, this elegant Edwardian building, close to Piccadilly has been carefully refurbished to provide 62 exclusive 2 and 3 bedroom apartments within the division belt area.



THE VILLAGES, ELY, CAMBRIDGE
Acquired from the City of Cardiff, this development of 133 homes, built as recently as 1982, had deteriorated substantially and suffered from vandalism. After extensive refurbishment by Regalian working in close co-operation with the City Council, including security provisions, affordable homes in landscaped surroundings have been provided.



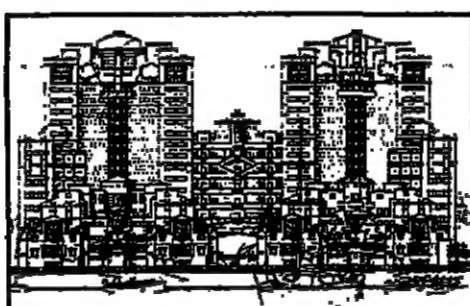
BATTERSEA VILLAGE, LONDON SW11
This 1930's estate of 285 flats in five blocks acquired from Wandsworth Borough Council was the first major refurbishment of local authority housing for the private sector. It has attracted the interest of local authorities, the Department of the Environment and many professional bodies.



SILVER WALK, ROTHERHITHE STREET, LONDON SE4
Purchased from the London Docklands Development Corporation this refurbishment and new building combines 66 homes and flats at Rotherhithe.



FREE TRADE WHARF, WAPPING, LONDON E1
An extensive refurbishment of listed 18th Century warehouses into a shopping, leisure and residential complex. Two later new apartment developments of 284 flats will soon be built with 58,000sq ft of offices.



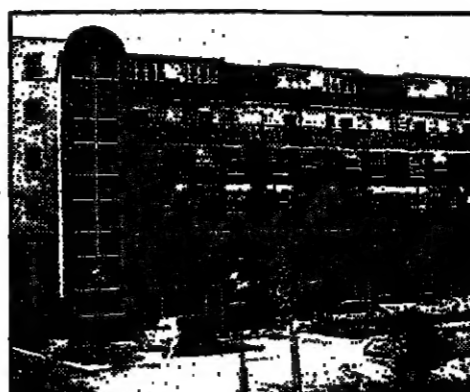
VAUXHALL CROSS, LONDON SW8
Occupying a prominent position on the South Bank of the Thames this three acre site has been empty and undeveloped for many years. Regalian envisage a major development of 271 riverside homes with infrastructure improvements including riverside, gardens and leisure facilities.



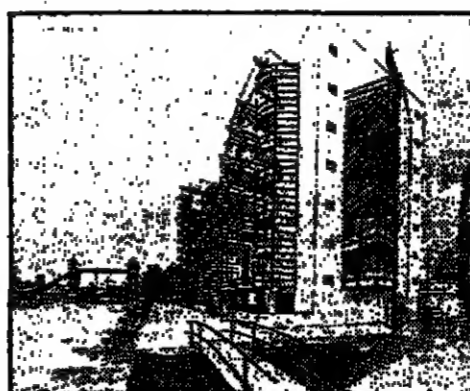
ST JAMES' PARK, SALFORD, LANCASHIRE
Acquired from Salford Borough Council this mid 1930's development of 5 four storey buildings will have 456 apartments when completed and, with extensive refurbishment and improvements, will have been transformed from a discredited site to affordable, high standard housing.



ELM QUAY, NINE ELMS LANE, LONDON SW8
75 one, two and three bedroom flats and penthouses in a striking development on the South Bank of the Thames, created from derelict land.



RIVERSIDE, WAPPING, LONDON E1
Acquired from the London Docklands Development Corporation this 1930's block comprising 161 flats overlooking Shadwell Basin has been restored from its dilapidated and vandalised state and with nomination rights to the Borough of Tower Hamlets has been a pilot scheme for urban regeneration in Docklands.



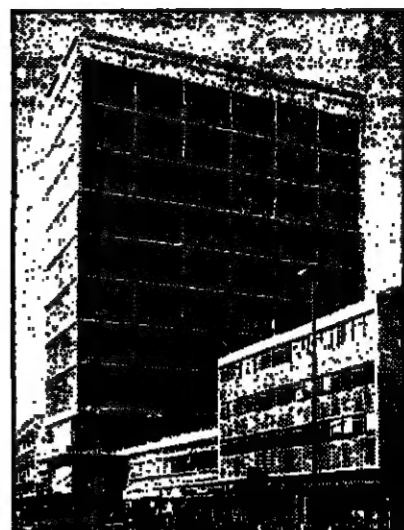
THE HERMITAGE, WAPPING, LONDON E1
Close to Tower Bridge and St Katherine's Dock, this development of 344 units will include homes for the public rental sector within the Borough of Tower Hamlets, ranging from 1 to 5 bedrooms and including sheltered accommodation for the elderly. Described by the LDDC as 'the last remaining housing land of major significance in Wapping' it demonstrates Regalian's ability to work successfully in conjunction with a local authority.



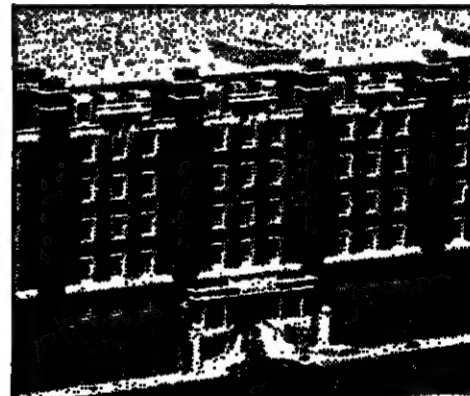
LICHFIELD, STAFFORDSHIRE
Consisting of 126 flats this local authority estate demonstrated the unsuitability of high rise blocks as family accommodation. After refurbishment, these apartments have satisfied a local demand.



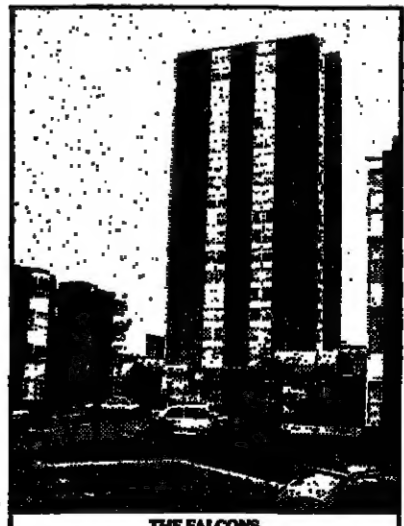
MARLBOROUGH PARK, WASHINGTON, TYNE AND WEAR
A notable example of how Regalian's innovative ideas and resources have transformed vacant, dilapidated council flats into desirable housing. On completion the refurbished estate will comprise 417 modern homes.



CAMDEN HILL TOWERS, NOTTING HILL, LONDON W11
A former local authority tower block with annex built in the late 1950's and early 1960's required Regalian to refurbish the block's 158 flats in close co-operation with existing residents to ensure minimum inconvenience.



MACREADY HOUSE, CRAWFORD STREET, LONDON W1
No longer required by the Metropolitan Police, this distinctive building in Art Deco style is being given new life by Regalian, and will provide 83 flats on completion.



THE FALCONS, CLAPHAM JUNCTION, LONDON SW11
Purchased from the London Borough of Wandsworth, these lower blocks comprise 307 flats. They have now been refurbished to high standards and have proved extremely popular with young purchasers.

WHY WE'RE TRACK LEADERS IN URBAN RENEWAL

To discuss your projects with Britain's most experienced Company in Urban Renewal, contact J.L. Goldstone, Managing Director, Regalian Urban Renewal Ltd, 44 Grosvenor Hill, London W1. Tel 01-493 9613.

REGALIAN

URBAN RENEWAL 6

Future of the high street

The appeal of out-of-town

CATALYST FOR the rehabilitation of derelict land. Natural extension of retail services to the car-borne public. Valuable source of new jobs. All of these claims are advanced in favour of huge new shopping developments outside the traditional town centres.

Most local authority planners remain unmoved, if not directly antagonistic. The Government might be said to be only selectively enthusiastic.

The fear is that the untrammelled development of new shopping facilities outside town centres will weaken those centres at the very time when local and national policy is to strengthen them.

The case is being argued out in public inquiries, most notably at present in the Manchester area, against the background of stiffening central Government policy designed to hold back out-of-town retail developments.

The difficulty is that there is very little empirical evidence to support the arguments of either side. Superstore developments for the car customer have been going on for some years, but each case has been considered in isolation and the amount of accumulated evidence about their effect on town centres is small.

By the same token, there are only two really big shopping developments which have recently started to operate in locations which could affect the urban renewal programme. Their impact

on the city centres of Birmingham and Newcastle is unclear and could take another five years to assess.

But that is too long to wait. The queue of planning applications for out-of-town schemes has lengthened. Hillier Parker, the chartered surveyors, keeps a tally and reported in September that there is 42.5m sq ft of proposed out-of-town floor-space without planning consent, but only 20.5m sq ft in town centres.

So decisions have to be made, not only in Manchester, but in Teesside, Sheffield, Birmingham, Exeter, Bristol, Southampton, around the London periphery and in London Docklands, and in central Scotland around Edinburgh and Glasgow.

Isolated boroughs are in favour of such developments. Salford, Trafford and Stockport have set themselves apart from the opposition of the other seven boroughs in the Greater Manchester area and favour new centres in the area. Similarly the London Docklands Development Corporation is likely to favour retail development schemes over the opposition of the area's boroughs, such as Newham.

Indeed, most planners have come out against the major shopping developments. The London and South East Regional Planning Committee in a recent consultation document said: "Improvements in floorspace and quality are taking place in existing centres and there are

pears no justification for all the floorspace currently being proposed in regional shopping centres, particularly as publicly funded improvements in town centres could be jeopardised."

At the current series of inquiries covering the proposals for shopping centres around Manchester, Mr David Kaiserman, for the seven boroughs against them, said that the strategy for enhancing the existing centres "is placed at risk by out-of-centre development; by the diversion of trade from them; the creation of uncertainty in the land use planning context (and, hence, uncertainty in decision-making by investors and others); the weakening of the visibility of public transport; and the consequent decline in environmental quality."

These two sets of remarks sum up the tenor of the arguments by the planners faced by the pressure of planning applications. They also echo the line taken by the Southampton authorities who have invited their councillors firmly to the most and mounted a nationwide campaign against the spread of out-of-town centres. So the high street is fighting back.

But the fight back is against a threat rather than a fact. Although it is true that there has been a marked spread of retail warehousing in recent years, this is not so much the point at issue. There are few who dispute that there is a place outside the town centres for establishments providing furniture, DIY equipment and bulk household goods. The threat is the complete new centre.

And here, the rate of building so far has lagged behind the amount of development in town centres. Hillier Parker observed that 6.14m sq ft of floorspace is under construction out-of-town compared with 2.1m sq ft in town centres.

Against this background, the Government is in a difficult position. It wants to see companies like Cameron Hall Developments and Richardson Developments, which established respectively regional shopping centres at Gateshead and Dudley, succeed. Indeed, Mrs Thatcher has personally given her seal of approval. But it cannot allow this process to go too far without jeopardising the effectiveness of the subsidies it is already providing for urban development and land reclamation.

Its latest thinking is enshrined in a draft planning circular, on which it has invited comments from local authorities, and which may become the shopping policy next year.

This draft rules out major shopping developments in the Green Belt - a reiteration of existing policy - and in the countryside at large. With a nod in the direction of Cameron Hall and Richardson, it says that exceptionally they may be acceptable outside urban areas where "their impact on established shopping centres is likely to be very diffuse."

It concludes that "such cases are likely to be few."

The planners see this as a helpful clarification of views but there are still serious questions of definition which have not been answered. They have to consider the effect of new shopping developments on the vitality and viability of existing centres. But they are not clear what vitality and viability mean - beyond the fact that, in their general sense, the creation of these quantities is what the urban renewal programme is all about.

Paul Chesworth

US case history

Retail health in San Mateo

closed and enlarged. For San Mateo, the gamble of upgrading Hillside Mall, the shopping centre is thriving while the out-of-town mall has vacant shop fronts.

But downtown San Mateo has never recovered. Now its retailers face a new challenge from the "superstore discounters."

These warehouse "no-frills" stores offering a broad range of merchandise at heavily discounted prices can draw customers from a 10-15 mile radius and are quickly gaining huge popularity. San Mateo's problems are typical of those cities throughout the US. Downtown shopping areas have been eroded by shopping malls and now these too are struggling because of overdevelopment and competition from discount stores.

"What cities need to do is reduce on centralisation and stop developing cosmetic pre-

grammes that make politicians feel good but have no real impact in revitalising urban life," says Mr Robert J Carver, president of Urban Centre Development, a San Francisco based urban development firm.

Many US cities have learned the hard way that the cosmetic approach seldom works.

Almost 200 US cities created pedestrian precincts in the early 1970s, in an effort to halt the exodus of retailers and shoppers to suburban malls. Today, however, many cities are admitting that the pedestrian precincts lacked important advantages such as ample parking, co-ordinated shop hours and a balanced variety of stores.

Almost half of the precincts have since disappeared or been drastically redesigned. "If, however, people are encouraged to come back downtown through office occupation, in-town housing,

ing, cultural and entertainment attractions, then perhaps retailers and restaurants will return to take their proper place in the street scenes of our cities," Mr Carver says.

Cities must also take a professional approach to retail centre management if they are to compete with the shopping centres, he adds. "All issues of central retail area decay must be addressed by someone in the capacity of a manager who will look after the city's retail sector just as a mall manager looks after his or her property. The importance of maintaining a downtown shopping area goes far beyond the immediate effect upon local businesses."

"Retailers play a vital role in maintaining the proper recipe of a healthy city," Mr Carver believes. "When cities start to lose their retail character, they also start to lose their positive image," he suggests.

Although retail space is often less than 15 per cent of a city's commercial real estate space, office and housing developers are unlikely to choose a city that is perceived to be "going out of business."

Louise Kehoe
San Francisco

CUT THE COUPON.
REAP THE REWARDS.

A better environment is rewarding for everyone. And in many ways, British Industry stands to gain more than most.

Groundwork works in partnership with local communities, private companies and local authorities to clear dereliction and regenerate Britain's environment in and around our towns and cities.

Find out today about how you - in partnership with Groundwork - could change tomorrow for the better.

Return the coupon for literature to: Groundwork Foundation, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST. Tel: 021-236 8565.

LAING

We build for people.



TAKING ACTION ON 'INNER CITIES'

Norman Wakefield, Chairman, BEC 'Re-Building Britain' Working Party, says:

"The private building industry is taking the Government 'on trust' and is investing people and money on an increasing scale in 'inner city' areas."

"Various urban partnerships have developed across the country: the public/private Phoenix Initiative gains in momentum; responses to demands for investment in high-risk projects in the 'inner city' areas are being heard and acted upon."

"The private sector is already out there planning, investing and doing."

Lists of members of the Building Employers Confederation ready to contribute to 'inner city' regeneration projects through the United Kingdom are available from:

Information Services Department,
Building Employers Confederation,

82 New Cavendish Street, London W1M 8AD.
Telephone 01-580 5588 Telex 265763 Fax 631 3872

BEC - 'BUILDING FOR THE FUTURE'.

Profile: Mike Shields

New Trafford hopes

MIKE SHIELDS became the first chief executive of the Trafford Park Development Corporation on October 1. In the first six months of his office, he could spend as much money in Trafford Park as his former employer - Trafford Council - had to spend on its entire capital programme in a year.

"Resources are the reason why I think the corporation can do what the local authorities in this area could not. At least it will be able to do it very much more quickly. Trafford Council spent probably £1m a year in the area that is now in the urban development corporation. That was a significant proportion of its expenditure, but peanuts relative to the size of the task."

It is impossible for Mr Shields to predict at this stage the impact that the corporation - one of five set up this year by the Government to spearhead development in rundown urban areas - can have on the huge and complex problems which have overtaken Trafford Park. Some observers see it as a 25-year job, which will need very much more money than the £100m budget of £100m over five to six years agreed by ministers. Mr Shields, diplomatically, says that he thinks it is enough.

Just five minutes' drive from the centre of Manchester, Trafford Park was a model industrial estate when it was set up nearly a century ago. The Manchester Ship Canal was its communications artery, and it had good road and rail access. Trafford Park bustled with activity until the early 1950s, when more than 70,000 people worked there. They flocked to factories from the surrounding area, and the area was a thriving industrial hub.

"It has been downhill ever since," says Mr Shields. Companies moved plants to greenfield sites. At worst, they simply closed but contracted. The story is related most starkly at GEC's turbine plant which used to employ 25,000, and is down now to around 4,000. Other manufacturers, like Kellogg and Procter &



Mr Mike Shields, chief executive of the Trafford Park Development Corporation.

Gamble still have big plants. A few newer buildings have been put up. But great gaping areas of derelict land, dotted with rundown buildings, are commonplace.

"It is this mixture, this complexity, which makes Trafford Park different," says Mr Shields. He is working furiously to get the corporation on the move, and trading new ground all the way. Recruitment for senior posts is going ahead, and architects invited to tender plans for Wharfside, part of the park opposite the new sleek developments at Salford Quays, where Shields has visions of high quality office and light industry arising from the present jumble of buildings.

But before plans can be transformed into bricks and mortar on Wharfside, agreements must be reached with the existing occupants, happily pursuing noisy, dirty jobs, will have to be persuaded to move. If the "high-tech" image is to be created.

Land assembly for clearance and renewal, and improved road communications within Trafford Park, are priorities for the corporation. If this can be done by agreement with existing landowners, so much the better. "I see us confining ourselves to acquisitions which will get things started and to overcome problems. Our job is

to enable the private sector to do their own thing," says Mr Shields.

"Units on Salford Quays are letting at £250 a sq ft in the open market. So are sure this sort of development can happen. If you can point the financial sector to that sort of potential, they will start looking much more interested."

Mr Shields' experience in the public sector and knowledge of the area will be invaluable in the sort of negotiations that lie ahead. But there will be battles, particularly if the board, appointed by Mr Nicholas Ridley, Environment Secretary, sticks to its already expressed preference for commercial and industrial development. Most development interest in areas like this outside the South-East of England has been for retailing where the private sector can make better returns.

An application for a huge retail complex was submitted before the boundaries of the corporation were drawn up. Currently the subject of a planning inquiry, along with other applications for out-of-town shopping centres in the Greater Manchester area, it would, if successful, occupy probably the best - and only greenfield - site in Trafford Park.

"If it does not succeed, we will talk immediately with the Manchester Ship Canal Company (which owns the land) about the way in which the area could be developed," says Mr Shields.

He believes that "it is in the interest of existing landowners for us to succeed. But if anybody tries to thwart our progress, the option of compulsory purchase orders, following the normal procedures, is open to us."

Trafford Park may be unique by comparison with other urban development corporations. But Mr Shields says: "The North is littered with obsolescence like we have here, although perhaps on a smaller scale. If we succeed, then may be there will be lessons which will be good for the North as a whole."

Hazel Duffy

Your workforce
doesn't sleep on the job...
But what about
your property assets?

Your workforce represents one of your largest assets. And the efficiency with which they fulfill their roles can be assessed.

But what about those other major assets - land and buildings?

Urban renewal demands the optimum use of these vital resources. Dormant property assets need to be reawakened to provide the basis for the rejuvenation of our cities.

At Hillier Parker we have now worked with more than 100 public authorities, development corporations and statutory bodies in order to secure the better utilisation of urban land. Our consultancy teams can advise you on how to put your valuable property assets back to work.

For further information, please contact Brian Raggett or John Parmiter.

**Hillier
Parker**

01-629 7666

77 Grosvenor Street London W1A 3HT

With offices and services throughout the world

DEVELOPMENT DIRECTOR

(URBAN AND SHELTERED HOUSING)

Wilson Bowden plc, with interests in private housing and property development, is to extend its activities into Urban Renewal and retirement homes. We are currently seeking to appoint therefore a high calibre individual to be responsible for the programme of implementation and management.

The role will be a demanding one and the person appointed will be high in entrepreneurial skills to identify and progress potential schemes through to commercial appraisal. As such he/she will have proven credibility at Board and Local Authority level.

A knowledge of Housing Association and Local Authority procedures is desirable, coupled with a working knowledge of the Development Grant Legislation. The remuneration package will reflect this Board appointment and will include an attractive salary, performance related commission, car and other benefits. Applicants should forward full details of their career to date to:

Mr D. E. Tomlinson
Group Personnel Manager
Wilson Bowden plc
Leicester Road
Ilkeston
Leicester LE6 1HP

**WILSON
Bowden plc**

URBAN RENEWAL 7

Scotland

No quick answers to the problems

"THIS IS a unique venture we are engaged in... a long-term process of transforming the way people think about themselves."

In these ambitious terms Strathclyde Regional Council, Britain's biggest local authority, declares its commitment to an urban renewal policy which is intended to reach beyond the mere physical change of run-down areas to changing the people who live in them.

Strathclyde contains within its wide boundaries some of Britain's loveliest beauty spots, but also some of its most extensive urban problems.

One of the attempts to tackle these, the Glasgow Eastern Area Renewal Project - Gear - is among the biggest and best known of all urban renewal schemes in Europe. No-one visiting the old industrial East End of Glasgow, with its renovated housing, spruced up streets and new shopping areas, could fail to be impressed by the transformation.

But the most recent approaches to urban renewal being pioneered elsewhere in Glasgow and other industrial areas of Western Scotland draw on ways in which Gear has so far failed, as well as its successful points.

Gear did not come cheaply. At least £400m of public funds over 10 years were invested by Strathclyde Regional Council, the Scottish Development Agency, Manpower Services Commission, Scottish Special Housing Association, Greater Glasgow Health Board and the Housing Corporation. The physical end-product - for example, 4,000 homes in the area have been rehabilitated by housing associations - is seen by all the authorities involved as proof of what could be achieved if this level of public finance were available elsewhere.

The downside is employment. One of the founding objectives of Gear was to retain and create jobs, and around 1,500 are calculated to have been supported or created in the East End as a result of the initiative. But another 9,000 jobs disappeared during the life of the project. The current male unemployment rate in the Gear area is 34 per cent, and is standing still in the face of a slight drop in the overall Glasgow rate.

Job creation in the East End on the scale needed to replace redundant jobs is a daunting task. The old Parkhead Forge steelworks, the equivalent of the entire present-day population of the area. Now closed, its site is being turned into a new shopping centre which will provide around 500 jobs.

The relative failure on the jobs front provoked the people of Glasgow's East End to produce their own video on the Gear project, entitled "A Job Half Done."

"Perhaps one of the lessons of Gear is that we were concentrating too much on the physical regeneration of the area, without taking sufficient account of the equal need for the regeneration of people," says Mr Iain Stuart, deputy chief executive of Strathclyde. "In some ways

Gear almost bypassed the inhabitants."

This approach has led to a different emphasis by Strathclyde in subsequent renewal projects.

A new economic initiative in the Govan area of Glasgow, for instance, is giving education and training precedence over other aspects of renewal, so that local people will be ready to compete for new jobs which in inner city areas often finish up being filled by outsiders.

Still more fundamentally, Strathclyde councillors and officials have become convinced that the revival of disadvantaged communities must come from within. One of the successes of Gear is the extent to which it has brought alive community activists and organisations to fight for resources and investment, and this approach is being encouraged elsewhere.

Castlemilk is a 1960s housing estate on the outer ring of Glasgow. It has a population of 28,000, 94 per cent of whom live in public rented accommodation, an unemployment total of 27.1 per cent - 34.3 per cent for males - and all the obvious symptoms of poverty and deprivation. Yet the people of Castlemilk have just produced a glossy brochure, the quality of which would not shame a big city, to market their apparently forgotten community with confidence.

Despite the depressing statistics, it declares, Castlemilk is changing for the better. "Many people have responded to hard times with a determination to do something for themselves." The brochure, and a complementary video, show the positive things about Castlemilk, such as its community organisation, training facilities and Ad-tac, a venture giving technology training to disabled young people which has just opened in the town. This has found permanent jobs for some of its trainees and is also identifying local business opportunities, like photography and printing.

The marketing of Castlemilk - and similar communities in Scotland - is being brought about by the creation of Area Liaison Committees - action groups of local people and the public authorities who look for ways of maximising the existing potential of an area and attracting new resources.

Realistically, the chances of attracting sufficient new jobs to Glasgow's big estates to attack their 25 per cent-plus unemployment rates are low. Efforts are being concentrated not only on training people to compete in a wider labour market, but also to help them maximise their own job-creation potential.

Strathclyde Community Business encourages and supports the establishment of community-based enterprises. And Mr John Pearce, its chief executive, calculates that 2,500 jobs in the region are being sustained by such activities.

He cites the example of Barrowfield, one of Glasgow's most troubled housing estates, where a local community business began by obtaining Glasgow Corporation's security contract to

protect unoccupied property on the estate from vandalism. This now employs 28 people, while a block of houses has been converted into workshops to start a welding company which has grown out of a small improvement scheme on the estate. The community business is now Barrowfield's biggest employer.

This fact is both a cause for hope and a source of despair. The big post-war estates of Western Scotland were built to house a labour force for heavy industries like steel, shipbuilding and engineering which have shrunk to a fraction of their former size. No-one pretends that small initiatives will replace this number of jobs. No-one expects new employers to bring thousands of jobs into these areas. But the drive to win whatever jobs are available is one of the ways of keeping a high-employment community alive.

The Prince of Wales will next month visit Easterhouse, another of Glasgow's post-war estates and another unemployment trouble spot - 34.5 per cent among males. He will see the Easterhouse Partnership, a community-based organisation which is trying to attract new business. But it has a considerable task on its hands - the Technical and Vocational Education Initiative (TVEI) at the local schools has to run its own "mini-industries" scheme because there are not enough local employers to provide work experience.

One of Easterhouse's biggest employers is Goodwill, a charity set up to employ and train people with disabilities. Growth has been rapid and Goodwill is employing and training nearly 100 people. Its chairman, Mr Colin Williams, who is also director of Glasgow Council for Voluntary Service, has strong views about the need for more public sector support in areas like Easterhouse.

"If the Government is serious about solving urban problems there has got to be a change of attitude. It is crazy waiting for the private sector to give a lead in a place like this. The whole of the MSC's budget in Scotland could usefully be spent in Easterhouse alone."

Mr Williams believes that additional Government support to the voluntary sector could create many socially valuable job opportunities. "We could have a scheme which would employ 1,500 people carrying out energy conservation work for the elderly in Glasgow."

The community-based approach to urban renewal does not offer any magic, quick answers - but it does offer a way to attract new industry into places like Easterhouse. One of the things which Strathclyde officials stress from their 12 years of urban renewal experience is that there are no quick solutions, any more than there are cheap ones.

And, in a newly-published review, the council says: "Imposing solutions on the shabby parts of Britain is doomed to failure. Rebirth must, ultimately, come from within."

Alan Pike

WITH THE appointment of Llewelyn Davies Planning to draw up the masterplan for the regeneration of the southern part of the city, the development of Cardiff's decaying docklands has moved into a new phase. Cardiff was the first place chosen for the Government's second wave of urban development corporations and the board of the Cardiff Bay Development Corporation, under its chairman, Mr Geoffrey Inkin, deliberated carefully before picking the team to produce the eventual plan.

To begin with, it invited a dozen groups to submit an outline document of how they would tackle the 2,700 acres of what was once, in the days before the first world war, the foremost coal exporting port in the world, known around the world as Tiger Bay. Eight responded and, assisted by a panel of eminent outside assessors, the board whittled them down to a short list of four, from which Llewelyn Davies was chosen.

Even then, the ideas contributed by the unsuccessful competitors, two of which came from the US and one from Britain, could find their way into the eventual strategy. "All the submissions were of an extremely high standard," says Mr Inkin, a former army officer and now chairman of Cwmbran New Town Corporation, who is driving the whole project along at an enthusiastic pace.

"We shall take, if necessary, the best parts from all the submissions because what we are looking for is a synthesis of ideas. All the contents of the submissions will come into consideration."

Llewelyn Davies, under its managing director, Mr David Walton, says that the development of Cardiff "represents the single most challenging and ambitious urban regeneration in Britain over the next 10 years."

It is a feeling equally held by



Commercial and residential properties being built on derelict sites in Cardiff Docklands

Cardiff's docklands

Instead of Tiger Bay

Mr Inkin, who says that by the time Cardiff's docklands have been rebuilt the city will be the most important in southern Britain after London.

This is a tall order because Cardiff not only has to compete with the other four areas designated shortly after itself for major urban redevelopment, Tyne-side, Teesside, Manchester Salford and the Black Country but also with the two urban development corporations set up in 1981 in London's docklands and on Merseyside.

Mr Inkin believes Cardiff has strong advantages over all the corporations with the exception of London, which is in a league of its own. He points to the strong institutional and development interest which has already been shown in Cardiff and to the fact that the Welsh capital is both a centre of government, housing the Welsh Office, and the nearest to London of the areas to be redeveloped.

He still has to convince all the

people of Cardiff of the need for the redevelopment. Part of the small community in docklands remains suspicious, or perhaps just apprehensive, about the possibility of being overwhelmed by a yuppie invasion, as has happened in London's docklands.

They point to a marina development where prices for some houses are nudging £100,000 and are anxious to ensure that such work as will take place in the redevelopment is available for local people and not reserved for outside building contractors' employees.

Mr Inkin is sympathetic. He believes it both right and just that the existing inhabitants, a good proportion of whom live in the council estate adjoining the once infamous Butte Street, should have a fair crack of the whip. He has already met not only their representatives but also with people themselves through public meetings.

Furthermore, he insisted that

the headquarters of the corporation should be in the area and that the development plan put forward by Llewelyn Davies is put on display there, probably in the National Maritime Museum.

One other source of potential conflict concerns the environmental issue of what happens to the wildlife, especially a significant wader bird population which in winter relies on Cardiff Bay's extensive mud flats for feeding, mud flats which are due to disappear when a barrage, central to the whole scheme, is built.

The Royal Society for the Protection of Birds has already protested that the loss of feeding grounds is contrary to an international agreement signed by the Government and designed to protect Europe's dwindling number of wetlands. On this, Mr Inkin will have to exercise all his persuasive powers if he is to win over his opponents.

The strategy of the plan being

put forward by Llewelyn Davies is to avoid the redeveloped Cardiff Bay being seen as a separate part of the city. Most of the Cardiff Bay area lies south of the main railway line linking London and west Wales. South Cardiff was always, in varying degrees, "the other side of the tracks," Mr Walton has emphasised that the whole object of the development should be to avoid any "them and us" emerging.

The plans will almost certainly include ways in which to suck the commercial and retail life of the city further south than it has been prepared to go for decades.

Once, 70 years ago, it was a vibrant commercial area and as recently as 1945-50, there was still a lot of commercial activity. But with the changing nature of shipping and the move away from rail-based traffic to containers, coupled with a shift in the emphasis of British trade towards the east coast of the UK, Cardiff's docks and its commercial quarter fell on hard times.

The first step towards drawing commercial activity southwards has been taken by South Glamorgan County Council which, with some enterprise, has built a new county hall for itself in the middle one of the old docks, now given a 1980s name of Atlantic Wharf. The planners' hope is that once county hall has been established, with about 1,100 jobs, the spin-off activities that go with office establishments, shops, restaurants, office supplies will follow.

The theory has still to be tested. But development of Cardiff's docklands is pushing ahead fast and the lifeblood that drained out after 1950 could now be staunching by the development corporation.

Anthony Moreton



How one company is changing the face of urban renewal.

Using new overcladding techniques and materials there is a way to stop the rising tower block problems of our cities.

Highly successful, cost effective solutions are already being provided by Eternit Tac.

Explore your overcladding options by ringing Rebecca Clark NOW on 0763 61613 and ask for our free 42 page publication.

Eternit Tac

ETERNIT TAC LIMITED
MELDRETH • NR ROYSTON • HERTS SG8 5BL
TEL: (0763) 60421 TELEFAX: 817231 ETERNIT G.

Real central heating at a realistic price.

THE SYSTEM

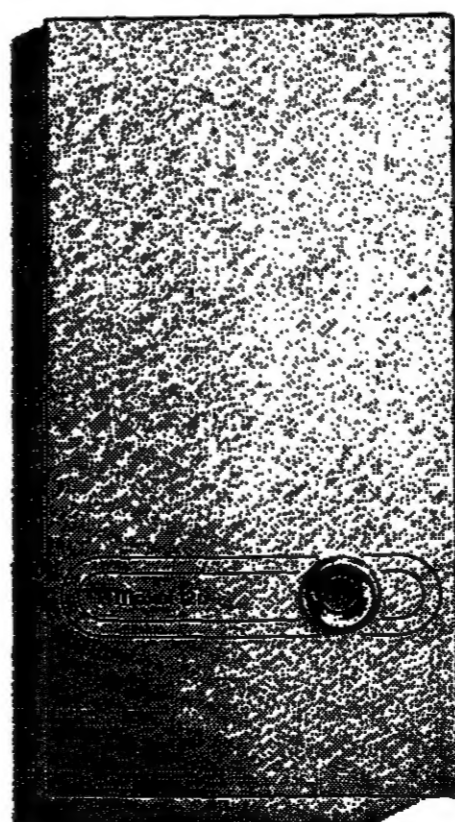
Budget central heating has been specially developed to meet four important criteria: simple and effective control; flexibility in operation; high performance; low capital cost.

Budget central heating is a model of efficiency. A straight-forward, wall-mounted 6 kW gas heat generator pumps heat to the radiators and to a factory insulated, single pipe hot water cylinder. This is done through either a simple to operate manual comfort control or alternatively via a "comfort" selector linked back to a motorised valve.

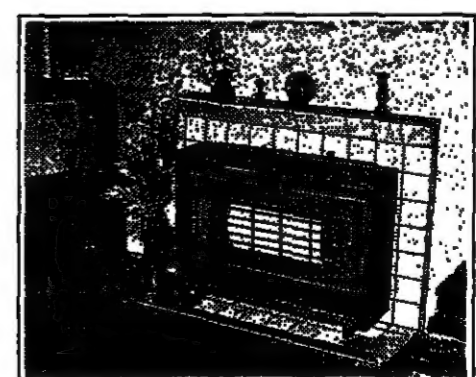
It has been found that gas fires incorporating back-boilers are also an extremely popular option.

THE COST

At just £750 for a typical system, budget gas-fired central heating satisfies the need to meet strict financial considerations.



24 hours a day. Unlike Economy 7 heating for example, budget central heating works on the principle of delivering heat when required, not storing it in anticipation of demand.



THE PROOF

House builders and local authorities around the country have already discovered the benefits of installing budget central heating.

They have all found out that budget gas-fired central heating really performs at a realistic price.

And, running costs can work out at an average of just £4.00 a week for heating, hot water and cooking.

Budget gas-fired central heating achieves these figures by being economical

British Gas
ENERGY IS OUR BUSINESS

URBAN RENEWAL 8



The Docklands Enterprise Zone at the Isle of Dogs

London's problems

Docks are only part of the picture

IN LONDON, the phrase urban renewal usually provokes images of the massive development which is transforming the capital's old dock areas under the London Docklands Development Corporation.

But this is not all the story. Many other parts of London display characteristics of decay and urban deprivation similar to Britain's old provincial industrial areas.

The Association of London Authorities, which represents the capital's 15 Labour-controlled councils, told Mr Nicholas Ridley, Environment Secretary, last month that "inner city problems are now spreading across the whole capital." And it is concerned that there is no London-wide programme to tackle them.

A first attempt by the association to persuade Mr Ridley that the Government and local authorities should work together in handling London's urban problems ended in complete failure.

London Labour council leaders met Mr Ridley with proposals for an inner city forum, on

which government departments and local authorities would both be represented, to direct overall urban renewal policy. But after the meeting, they said it had been a waste of time, indicating that Mr Ridley had told them there would be no compromise until the Labour councils accepted Government policy in total.

The London Labour councils make four specific criticisms of the Government's present position on inner city regeneration, some at least of which are supported by local authority leaders elsewhere:

■ confusion about which Government department is responsible for various aspects of policy, and an apparent lack of co-ordination;

■ an excessive proliferation of initiatives, all of which have different qualifications and criteria;

■ no clear idea of the amount of resources which are available for urban renewal;

■ some schemes to date have been weak and unable to address the specific needs of local communities.

The London councils plan a further attempt to convince Mr Ridley that the Government should work in co-operation with them and other community-based interests on the capital's urban renewal needs before Christmas. They intend to make new proposals, perhaps with the support of church leaders, voluntary organisations and private sector representatives - they believe the Government may not appreciate the extent to which some Labour-controlled boroughs have worked successfully with the private sector in recent years.

Not surprisingly, the council leaders believe urban renewal should be carried out in partnership with local authorities rather than through the creation of more urban development corporations. There is strong criticism in London local government circles of the activities of the London Docklands Development Corporation.

The Association of London Authorities argues that for every 100 jobs lost in London between 1981 and 1986 the LDDC created only three. It says the

LDDC's activities have resulted in some 7,000 jobs disappearing through the closure of local companies in docklands - a net loss of more than 4,000 jobs even when new ones are taken into account. An additional cause of concern is that, because of a lack of the right skills in the old docks areas, many of the new jobs are occupied by commuters from outside the area.

In spite of such concerns, the Labour-controlled Newham Council has provided the LDDC with its first formal agreement between the development corporation and a borough providing for co-operation in the development of the disused Royal Docks. Under the agreement, the council will have an equity stake in property development in the docks. Councilors hope this will bring the borough up to £100m-worth of economic and social benefits from the corporation and developers.

The development corporation has indicated its willingness to grant planning permission for a £750m development scheme in the Royal Docks from Rose-

haugh Stanhope. This has to be approved by the Environment Secretary.

Part of the agreement with Newham states that the development corporation will try to ensure that 25 per cent of all jobs created by the scheme go to local residents. This, as elsewhere in London, will involve early identification of the skills required by new employers and the development of training programmes.

The Inner London Education Authority (of which Newham is not part) and the London Enterprise Agency have this autumn created the London Compact, under which employers will work more closely with schools in an attempt to revive employment in the inner city.

Phase one of the scheme is operating in a group of schools in Hackney and Tower Hamlets. Local employers have accepted a target of providing 300 jobs for young people from schools taking part next year. Young people have to meet a set of educational and personal goals covering attendance, punctuality and achievement.

Alan Pike

European Community

A more logical way to treat Cinderella

URBAN RENEWAL is one of the Cinderellas in the EC's regional development policy - a neglected but deserving case waiting to join the party.

That is partly because urban decay in its worst form is a peculiarly British problem and as such lends itself to national UK rather than European Community solutions. While there is no shortage of poor and industrially backward cities throughout the EC, such as Naples, Liège or Marseilles, their problems are simple to grasp compared with their UK equivalents. None of them has to contend with the complicated and toxic mixture of unemployment, racial tension, crime, urban decay and depopulation to be found in areas like Liverpool or Belfast.

That said, the European Commission is trying, in its latest proposals for reforming its structural funds, to bring more focus to regional spending, even if Britain's inner cities will not be top-priority candidates for EC help. The proposals would involve a doubling in the structural funds from the present Ecu 6.5bn to Ecu 12.5bn by 1992, the target date for dismantling barriers to free trade in the EC.

The main purpose of the increase is to shift resources from the rich North to the poor South, a task made all the more important by last year's accession of Spain and Portugal.

However, the proposals also contain specific references to urban renewal. Even if it will not be a clearly defined target, the accent on urban problems will be there, says Mr Georges Rencki, a regional policy director for the Commission.

The EC's main tool for helping to iron out regional disparities is the cash available from the European Regional Development Fund (ERDF), which disbursed Ecu 2.4bn (£1.65bn) last year and is the largest of the structural funds.

Most of that is a simple redistribution of cash already paid into the EC budget by member governments, or already included in their own regional spending plans. Indeed, in the early days, the ERDF was a way of channelling cash back to the UK to make up for its EC budget problems. All this means it is hard to say how much ERDF spending, if any, is genuinely additional. Moreover, the ERDF

European Regional Development Fund

Inner City Investments - 1975-1987 Figures in Ecu m.

City	Type of Investment	Number of Projects	Total Investment	Grant Contribution
Naples	Industrial	161	171.8	33.9
	Infrastructure	348	2,791	1,109
	TOTAL	510	2,963	1,143
Liverpool	Industrial	26	143.5	22
	Infrastructure	156	325.7	78.5
	TOTAL	182	469.2	100.5
Glasgow	Industrial	17	158.6	20.1
	Infrastructure	97	480.3	67
	TOTAL	114	638.9	107.2
Manchester	Industrial	6	43.3	2.6
	Infrastructure	54	155.9	34.2
	TOTAL	60	199.1	36.8
Birmingham	Industrial	6	41.3	2.5
	Infrastructure	21	217.4	40.2
	TOTAL	27	258.7	42.7
Cardiff	Industrial	5	40.0	3.9
	Infrastructure	27	37.9	10.7
	TOTAL	32	77.9	14.5
Liège	Industrial	9	85.2	6.5
	Infrastructure	27	40.6	10.8
	TOTAL	36	125.8	17.3

Source: European Commission.

has no specific remit to help inner cities.

It is not allowed to spend on social problems, which means in theory at any rate - that it cannot contribute to housing. However it did once make an indirect Ecu 100m contribution to housing in Belfast in view of the severity of the city's problems, a move which raised so much controversy among member states that Commission officials say it is very unlikely to be repeated.

ERDF grants are earmarked for two purposes, to help less developed regions, such as Greece or Ireland, which account for 70 per cent of disbursements, while the 30 per cent balance goes to areas of industrial decline. These include areas hit by closures in the steel, coal, textiles or shipbuilding industries and it represents the category under which most EC inner city spending is available. The European Commission is proposing to change that balance to 80-20 to give less developed regions extra help towards adjusting to the plans for a free internal market by 1992.

The Commission has been striving in one form or another since the turn of the decade to try to inject more decision-

making at Community rather than national level into ERDF spending. Its success or failure in that respect will have a bearing on Brussels's ability to single out for special treatment regional problems, like urban decay, which would otherwise be a secondary target for ERDF help.

In the past, the Commission's input to regional spending has been little more than to distribute ERDF grants according to national, rather than EC objectives. Its role was confined to sanctioning grant applications put forward by national governments and ensuring they were spent as indicated.

Conscious of the lack of logic involved in recycling EC funds according to national priorities, the Commission drew up new ERDF regulations which came into force two years ago. Among other things, these envisage a so-called "integrated approach" under which projects are drawn together into an area programme. Programmes would be funded over a period of years, as opposed to the old way of setting traditional annual funding for individual projects.

William Dawkins
Brussels

CIVIC SHIELD UPDATE

Salford City Council's verdict - "It works!"

Before finally deciding on which refurbishment route to take, Salford City Council agreed to let NORWEB try a pilot scheme for Civic Shield.

They were pleasantly surprised at the result.

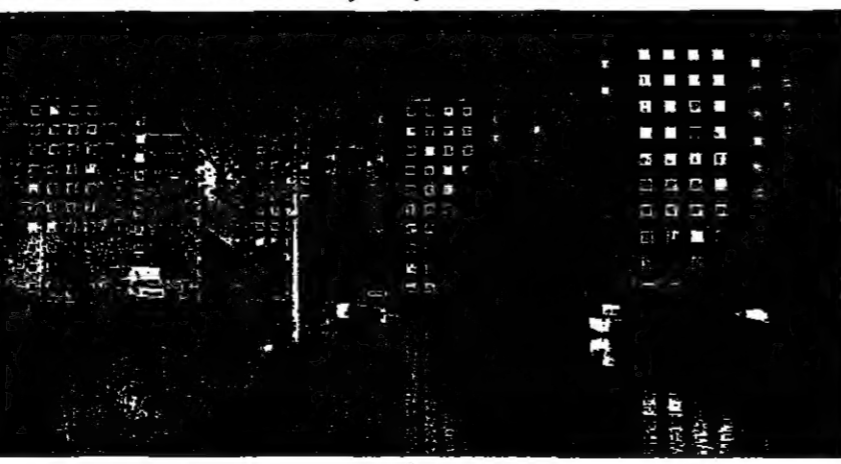
"We realised it just didn't make sense to switch fuels when you can so cost effectively refurbish the existing electrical installations", Salford's Housing Manager, Mr Graham Caine, told us.

In fact, they were so impressed that, together with NORWEB, they went on to establish the requirements for refurbishing the remaining 6,000 electrically heated homes in their housing stock. Since then, Salford have improved 1,119 properties to this standard.

To date, running costs have been considerably reduced and levels of warmth and comfort much improved in these properties.

The five 10-storey tower blocks on the Cawder Street Estate in Eccles is one of their more recent success stories.

The insulation improvements included high-rise cavity wall insulation and new flat roofs with built-in insulation. Also all the many windows in each block were weather stripped. Then Economy 7 slimline storage heaters were installed, along with the standard Civic Shield Economy 7



water heating package.

And it was all done within the first three months of 1986, one of the coldest winters in memory, during which the workmen had to contend with ice, snow, biting winds, below freezing temperatures and even falling icicles!

As Salford City Council agree, Civic Shield obviously does work - whatever the weather!

The 50,000th smile of success.



Essential reading for everyone in public sector housing.

You can find out much more about the DEN 3 package from our new, 32 page colour publication, shown here.

It's our "How to do it" adaptation of the original Domestic Energy Notes (3) - DEN 3 for short - prepared in 1978 by the Joint Working Party on Heating and Energy Conservation in Public Sector Housing, for remedial work for existing electrically heated dwellings.

This book sets out proven solutions to the problems of dwellings with old electric heating systems and provides a really safe, healthy and cost-effective answer.

Namely, a new-style electric storage heating and water heating system which runs on the Economy 7 tariff,

50,000 homes in the last seven years! That's how many homes have been built or upgraded to Civic Shield standards since the scheme was launched in 1979.

And Wigan lays claim to 300 of them. So it was fitting that the 50,000th home should be one of theirs.

It's a 3 bedroom semi on the Princes Avenue Estate at Tyldesley - one of 130 homes on this estate to be refurbished.

Like Salford, Wigan received great co-operation from NORWEB, who put together the most suitable specification for each home.

In the Fiddy's semi, for example, new slimline storage heaters and a new hot water system with an Economy 7 cylinder were installed. The walls were insulated. Draught proofing was fitted.

Old fireplaces were removed. And the house was completely rewired.

And, as these smiles tell you, it's been a great success.

"Before the new heating was installed, we were freezing in winter", Vernon and Jean Fiddy told us.

"But the Civic Shield Scheme has given us a warm home with affordable fuel bills. And with the new baby, that's very important!"

The total running costs of their home - not just for heating and hot water, but for all their electrical appliances - now averages out at just £8.25 a week.

And when, like the Fiddys you have two small children and only the income from Vernon's job as a nursing assistant to live on, that makes all the difference in the world.

together with a tailor-made package of insulation measures.

Electricity Boards throughout England and Wales have considerable experience in implementing DEN 3 schemes, as over 250 satisfied Housing Associations and Local Authorities have already discovered.

Send off the coupon for your copy of the DEN 3 Book - and discover how we can help you.

Why Economy 7 and Civic Shield work so well together.

House type and floor area	Electricity consumption ¹ 60% cheap night rate units ² day rate units ³	Annual running costs ⁴
semi-detached house 80m ²	9,800 1,770	£295
older mid-terrace house 60m ²	8,140 1,050	£278
modern mid-terrace house 75m ²	8,160 1,300	£242
flat 61m ²	8,950 900	£178
flat/apartment (detached) 67m ²	10,330 1,300	£283

1. Heating consumption is based on the Energy Efficiency Office's Minimum Guide for houses with 'good' insulation. Water heating consumption is based on a 100% cylinder with dual immersion heater and 100mm lagging jacket for 2-4 person homes. Tariffs up to July 1987. 2. 13.5p/night rate unit. 3. 6.5p/day rate unit (average England and Wales). 4. The running cost includes 19.32p per year state standing charge for Economy 7 compared with the standard domestic tariff.

For more information on DEN 3 and Civic Shield, call your Electricity Board contact below:
LONDON Alan Scott, 01-242 9050; SOUTH-EAST Peter Holloway, Brighton 724522; SOUTHERN Barry Clouting, Littlewick Green 2166; SOUTH WEST Chris Hogg, Bristol 266062; SOUTH WALES Robert Hockley, Cardiff 792111; EASTERN Roger Willert, Ipswich 686688; EAST MIDLANDS Rob Chilton, Nottingham 269711; MIDLANDS Eric Watt, 021-422 4000; MERSEYSIDE & NORTH WALES Malcolm Cooper, Chester 377111; NORTH EAST Colin Howarth, Newcastle 327520; YORKSHIRE Paul Wood, Leeds 892123; NORTH WEST Graham Wood, 061-834 8161.

I'd like more information. Please send me my copy of the new DEN 3 Book plus a copy of the Civic Shield brochure.

Name

Title

Address

Postcode

Post to: Electricity Publications, PO Box 2, Feltham, Middlesex TW14 0TG



HEATELECTRIC
Energy for Life

The Electricity Council, England and Wales.
This advertisement does not apply to the City of London or Channel Islands.



04583